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Tide

THE MAGAZINE FOR ADVERTISING EXECUTIVES

November 23, 1956

Keep your eye on Capper's Farmer

Topeka Kansas

Tide

NOVEMBER 23, 1956 • VOL. 30, NO. 22

trend makers

next issue

What department stores do with the point-of-sale and promotional materials you send them.

Are advertising executives working harder these days and what are they doing about it?

every issue

in this issue

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"A diamond is forever"

"The Constellation Lyra," painted by Herbert Saslow for the De Beers Collection, appearing in full color in all 28 editions of *Reader's Dig*

To deepen the background of romance for diamonds—and to nourish gem sales in 101 countries throughout the free world, De Beers now launches the most intensive international color campaign in its history—in Reader's Digest.

To the Digest's 61 million readers De Beers presents the diamond as "a symbol of love . . . a treasured gift . . . a gem of enduring value."

1. De Beers has an *idea* to sell . . . an idea to help enrich the lives of people everywhere. They believe the Digest is unparalleled for this kind of selling—because it's a publication millions turn to eagerly for new ideas and inspiration for a fuller life.

2. Diamonds are bought on *confidence*. And De Beers knows the unusual faith people have in the Digest and in the messages that appear there.

3. In selling any idea or product, it's vital to ta to people who can afford to buy . . . and who ca influence others to buy. In most markets where circulates, the Digest reaches more people of hig or upper-middle income, more business and com munity leaders, than any other publication.

In the U. S. A. alone, the Digest reaches million readers each issue . . . the largest audien and the greatest concentration of buying pow provided by any magazine. And this audience available to advertisers at the lowest cost per tho sand circulation of all international magazines.

The Digest is the world's only "truly intern tional" publication, with *28 editions in 12 differe languages*. Buy *one* or *all* editions—to sell just t markets you choose . . .

ADVERTISING FORECAST

Plymouth, Ford doing well in sales:

Though the 1957 automobiles have been out only a few weeks, **some sales trends are beginning to shape up in the hard-fought low-price class.**

Both Ford and Plymouth are evidently doing quite well. Ford got a slight head start via its early introduction, but Plymouth is moving up fast. In fact, **officials of both Ford and Chevrolet are reportedly concerned about public enthusiasm for the Plymouth.** There's a general feeling in Detroit that Plymouth has the best chance this year of displacing Buick as number three best seller.

Chevrolet may be lagging slightly in sales, according to some Detroit sources, probably because its styling change from 1956 is not as noticeable as its competitors. **Both Ford and Plymouth are optimistic they can eat into Chevrolet's big market share** (more than 26% of total new car sales) this year.

Taking the market as a whole, **most auto makers are having trouble producing enough cars to meet initial demand.** Early announcements forced hasty production, resulting in bad dies, ill-fitting parts and supplier problems, and production is gradually catching up with demand.

Also slowing things down is more emphasis on quality control. The reason: **too many squawks from buyers about shoddy workmanship, poor assembly and early breakdowns.**

Parker's new program for fair trading:

Parker Pen Co. (Janesville, Wis.) thinks it has the answer to the fair trade problem.

Parker's plan is a new franchise program. Parker dealers, who buy Parker pens directly from the company, **must sign the franchise agreement in order to carry the Parker pen line.** The franchise requires all dealers to maintain fair trade prices in states where fair trade laws exist.

Now if a dealer cuts prices on Parker pens, the company needn't fight him through the courts—it simply terminates the franchise. **The franchise also gives Parker the right to buy back all its merchandise, thus keeping it out of discounters' hands.**

The dealer can also terminate the franchise agreement simply by giving written notice. And in non-fair trade states, the company has no power to enforce any price maintenance.

From all indication, **most present Parker dealers will sign the new agreement.** Watching the experiment with interest: Sheaffer Pen Co., which dropped all attempts to enforce fair trade about a year ago.

Cigarets headed for record year:

According to a Dept. of Agriculture prediction, **Americans will smoke some 395 billion cigarets in 1956,** well ahead of last year's 382 billion and slightly ahead of the 1952's record high of 394 billion.

This year, says the Department, **regular-size cigarets will account for about 41% of the market,** down 14% from last year. Filters will reach 30% of the market, with the remaining 29% going to king-size cigarets.

Cigar sales are also up, should hit 6.3 billion, up 250 million from 1955.

Nine-month sales figures for cigaret makers show some interesting changes. **Philip Morris sales for 1956's first three quarters were up a rousing 17.8%, $240.5** million vs. $204.1 million for 1955's first nine months. And while **American Tobacco Co. sales were down 2.3%** (from $822.6 million to $803.8 million), earnings set a nine-month company record: $38,949,000.

R. J. Reynolds reports a new high in sales for 1956's first nine months, a 9.5% increase to $704.4 million. **P. Lorillard Co. sales are down substantially,** from $175 million last year to $150.7 million. And while Liggett & Myers doesn't release quarterly sales figures, earnings for the first nine months of 1956 were $19,400,000 compared to $18,686,000 for 1955's like period.

FTC's cracking down on ad practices:

You can expect to see more & more Federal Trade Commission action in coming months on certain advertising practices.

For example, FTC is currently interested in such seemingly minor details as stating in an ad that the advertised product is available at specific department stores and "better stores everywhere." FTC's attitude: **this is unfair to those retailers not named specifically.**

FTC is also interested in a number of similar advertising practices and is expected to move soon. Best way to avoid becoming involved: **have expert legal counsel scrutinize all your merchandising plans, co-op advertising and anything else relating to your dealers.**

New products coming up:

• **H. J. Heinz** next month will launch its new Campside beans, with bacon and other ingredients added. The new beans were developed after a survey showed most housewives add other ingredients to regular beans. Campside beans will be introduced (via Maxon) using newspapers, magazines, network TV and radio spots.

• **United Fruit Co.** has developed a new banana puree, is already distributing it to baking, ice cream and baby food processors, will put it into consumer markets when production facilities are expanded.

• **General Foods Corp.** is now test marketing in the midwest a new dessert mix, Dream Whip, which requires no refrigeration, becomes a whipped topping with the addition of milk. Spot TV, radio and newspapers (via Young & Rubicam) are being used in test markets in Cincinnati, Lexington (Ky.), Columbus (Ohio) and Charleston (S.C.).

• **Kraft Foods** is now marketing 11 types of natural cheese in 10-lb. blocks, will push them as Christmas gifts. Advertising (via J. Walter Thompson) includes newspapers, spot TV and radio.

General Mills bucks holiday sales slump:

General Mills is making a stab at overcoming a traditional problem in the food industry: the usual slump in food sales just before the holidays.

General Mills is about to break a major promotion with the theme, "This year give food." Backing the promotion is **a $2,000,000 ad campaign including consumer magazines, Sunday supplements, newspapers, network TV and radio**

Timing for the promotion is carefully coordinated by the five agencies handling General Mills consumer products: BBDO, Wm. Esty Co., Dancer-Fitzgerald-Sample, Knox Reeves Advertising, and Tatham-Laird.

Tide

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)range splash

If you are one of those lucky adver-ising men planning to get away from t all in Florida this winter, you'll have new way to drown your sorrow. It eems that Miami Beach's Lucerne Iotel is putting on a $3,500,000 addi-ion—featuring a lobby fountain which pouts orange juice.

According to our advance informa-

ion, some 10 gallons of orange juice vill circulate through the fancy foun-ain, forced by air pressure. Oscar Iarkovich and George Wasserman, wners of the Lucerne, consider this ne best way to advertise Florida's quid sunshine, and they're going to ivite their guests to sit and sip from eir novel fountain.

Sounds like a splendid idea, one we ecommend to other hotels across the .S. We can envision, for example, ropping in at a Louisville (Ky.) hotel here the fountain sprays bourbon. Or Milwaukee hotel might do the same ith beer. And certainly some ingen-ous New York hotel ought to come up ith a fountain spouting Manhattans. hey could all play up their special untains in their advertising, just as e Lucerne plans to do.

The only worry the Lucerne has at e moment is that some underhanded alifornia hotel might put in a similar untain but add vodka. Sort of a nkist Screwdriver for the tourist ade.

mericanization

You may have seen the somewhat rtling claim recently that vodka origi-nated on this continent and not in Rus-sia. We were inclined to dismiss it at first as a little promotional leg-pulling, until we met a bright young man named Dick Elfenbein.

Elfenbein is the head of the New York office of Public Relations Board, a Chicago PR firm and counsel for Pub-licker Distillers Products. Publicker, you may be aware, produces a brand of vodka called Cavalier.

Publicker's philosophy is that vodka is distilled in the U.S., by Americans and from American grain, it is mis-leading to put a Russian brand name on it, and to associate it with beards, Cossacks, or Russian wolfhounds. What's more, it might deceive some consumers into thinking they are buy-ing an imported vodka when it really is American, and furthermore might alienate some Americans who wouldn't be caught dead with what appeared to be a Russian product.

Publicker's ad campaign (via Weiss & Geller) therefore stressed such slogans as "As American as a cigar store Indian" and "As American as jazz." But the company felt a strong publicity campaign might be effective in giving its non-Russian policy added emphasis.

This is where Elfenbein came in. Besides handling Publicker's publicity (through PRB) in New York, Elfenbein is also a former graduate student who delved deeply into Russian history. When he was presented the problem of dramatizing Publicker's philosophy, he went back to the history books and

TIDINGS

came up with two interesting findings: 1) Russian vodka is and was made from potatoes, and the potato had its origins in the early Incan culture of Peru; and 2) there was no trace of vodka in early Russian history.

At this point, Elfenbein and Pub-licker PR director Samuel Krasney rea-lized they might be getting in over their heads. So they hired Mrs. Frank-lin Karmatz, supervisor of the Univer-sity of Chicago's modern language li-brary, to do a complete research job on the history of distillation.

She came up with a publicity bombshell: there was definite proof that the Incas made a clear distillate from the potato, and that such a process might well have found its way, through cultural, agricultural and religious customs, through the movement of peoples into North America. There, picked up by the Vikings, it could easily have been carried back to Scandanavia and finally into Russia.

From there on it was duck soup. Elfenbein, at the suggestion of Dr. Max Geller, of Weiss & Geller, got an independent social scientist to authenticate the research findings, and then called a press conference. Some 300 representatives of the press were there, and took away no less than 14 releases totaling 70 pages—including the complete research report, in case some of the reporters were still skeptical. One release was even sent to the Russian press, in Russian, but there's no word yet on whether Pravda picked it up.

So far, Elfenbein reports, an estimated 2,000 news breaks have turned up and the story will undoubtedly make the rounds for some time. Any day now, Elfenbein adds, he expects to get a release from Russia claiming that Kentucky moonshine really originated in Russia, and was brought here by Columbus, whose real name was Columbushka.

Underworked

The galled jade may wince, but we know a man whose withers are not only unwrung but who really misses his saddle sores. The executive in question, a permanent bachelor, we might

add, spent most of his working life in the broadcasting and film syndication jungles. That is, until recently. Several months ago, surrendering to the lure of higher wages and the contemplative life, he accepted a cushy job as a philanthropoid with a large foundation stationed strategically on Wall Street.

Despite the fact that he ladled out money, he grew unhappy. The reason: the office shut tight promptly at 5 p.m. and nobody, but nobody worked late. Since he'd never been let loose that early in 15 years of network employment, our executive discovered gaping holes in his life, turned lonely and sullen and began to prowl the waterfront. Then, several weeks ago, he found the solution to his problem. At noon he purchased a pair of supremely comfortable shoes. At five he was on his way up Broadway. By 6:30 he had covered the several miles from Wall Street to Times Square, and by 6:45 he was comfortably settled in Toots Shor's bar, healthy, happy, thirsty as the devil, and just in time to meet the boys.

He's been following this routine ever since, and he's become a familiar sight in Manhattan—a hale tweedy figure in sturdy brogans flouishing a stout blackthorn stick. He'll probably end up as New York's oldest inhabitant.

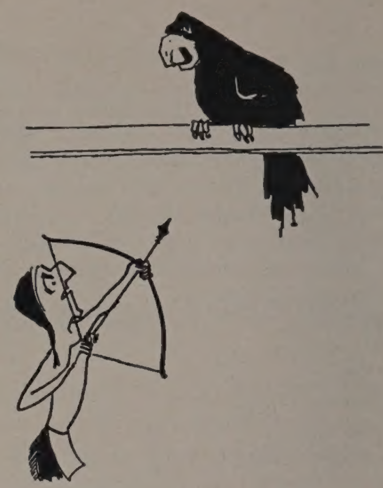
Bird watchers

It started innocently enough. Philadelphia television station WFIL-TV Indian personality, Chief Halftown, borrowed an orange-breasted parrot from the Philadelphia Zoo to display on his afternoon kiddie show. Assured by the zoo keeper that the bird was tame, the Chief removed him from his cage while on camera. Apparently frightened by the studio lights, the bird flew off, and stayed well out of reach.

After several fruitless hours of trying to recapture the parrot, the zoo keeper left to mull the problem at home, leaving the station's production manager with the problem. While he was cogitating, studio hands took turns trying to net the bird, without success.

Three days later the bird was still at liberty, and WFIL-TV's operations were approaching chaos. Announcers, thinking about the bird, missed cues. Performers "blew" their lines. Engineers tried futilely to keep audio levels below the chirping point. Set changes were delayed and normally smooth schedules were slowed to a crawl while crewmen improvised new devices to trap the elusive parrot.

First they tried a perch atop a long pole, but he shunned it. Then a cage containing a female parrot and some food was prominently displayed, but the parrot proved to be neither hungry, thirsty nor in the mood. Zoo officials refused to allow one suggestion: shoot ing him with a bow and a blunt arrow Somebody suggested playing an Elvi Presley record at full volume, hopin to send the parrot fleeing in terro from the studio. Somebody els



wanted to hire Bert Piel to do his bi calls.

Finally, with the production ma ager at his wits end, the zoo officia came up with the answer. All ligh in the studio were turned out, and t parrot, assuming it was bedtim roosted peacefully on a light standar While an assistant kept the bird tran fixed in the beam of a flashlight, t zoo keeper slowly mounted a ladd behind the bird and popped t damned thing in a cage.

At last report, things are back normal at WFIL-TV. We understan however, that the production manag has presented Chief Halftown with stringent game law. From now o nothing smaller than a horse.

Flotsam & Jetsam

• **In Montreal (Canada),** a restaura began supplying customers with plas mittens, now sells considerably mo chicken since customers can pick it without getting their fingers greasy.

• **In Trenton (Tex.),** a local chur needed help digging the foundation a new parsonage, got plenty when t pastor announced that volunteers cou bring tin cans and keep all the fishi worms they found.

• **In London (England),** a man insert the following classified ad in a lo daily: "Wanted—a wife who prefers evening of good music to kissing a cuddling in the park."

• **In Tokyo (Japan),** a coffee shop d a thriving business; all its waitres wear bathing suits.

Advertising the Edsel

By Lawrence M. Hughes

THIS week Ford Motor Company's $250 million new baby was formally christened the Edsel.

The baptism anticipates by nearly a year the blessed event, which after nine years of gestation is now set for next fall. But though the customers still must wait, the car and its promotional concept each is now a *fait accompli.*

This new contender on the American road will have six models contending in the $2,600-$3,700 middle-price bracket, primarily against General Motors' Buick and higher-priced Oldsmobiles and Chrysler's DeSoto. Whatever experiments may still be made could prove costly indeed. Last January, says Richard E. Krafve, general manager of Ford's special products division, "we reached the point of no return. Firm orders were then placed for sheet metal and other major components. All details are now complete and the parts are being tooled for production."

General manager of the new division since April, 1955, Krafve celebrated his election as a Ford vice-president last month by driving one of the first full-scale Edsels (largely hand-built). These disguised prototypes will undergo a lot of road and other tests before production begins on the 350,000 or more of the 1958 model cars which J. C. (Larry) Doyle, division sales and marketing manager, expects to sell.

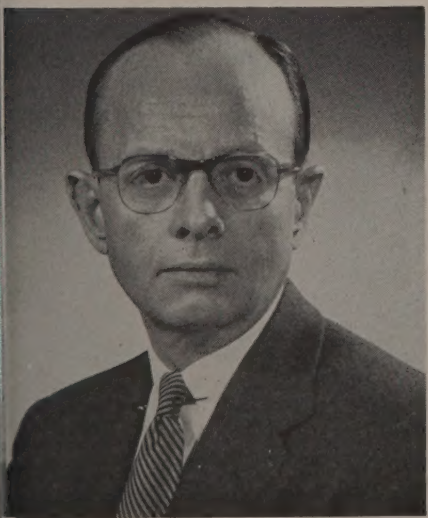
➤ **Next month Krafve, Doyle and other Edsel executives must decide on 1959 models, the main features of which are now largely set.** About the same time the former special products division, renamed the Edsel Division, will move from the rambling Henry Ford Trade School to the shiny new Continental building at Oakwood Boulevard and Edsel Ford Expressway in Dearborn, where a full-length painting of the late Edsel Ford already dominates the reception room.

The Edsel line will be sold by an initial network of 1,200 dealers. Later, to compete more effectively with Buick's 4,000, they will be expanded to 2,500 or 3,000. Dealer recruitment will start this January when the 24 district sales managers, already appointed and indoctrinated, open offices across the country. Regional sales managers already are at work in Newark (N.J.), Detroit, Chicago, New Orleans and San Francisco.

With Foote, Cone & Belding, Edsel Division is also going into high gear on plans for a $16,000,000-a-year factory and dealer advertising program commensurate with the costliest new product ever born. If the division sells 5% of the industry's expected seven million new car volume in 1958, it would start as an $800 million business in cars and accessories. Combined dealer volume would exceed $1 billion, marking the first time Americans ever have put down $1 billion for any brand-new product in its first year.

➤ **The high hopes of Krafve and his associates stem from a lot of studies, which indicate:**

- That the record 7,170,000 new pas-



Edsel's Richard E. Krafve
Past the point of no return

Edsel's J. C. (Larry) Doyle
Come over and bring your lawyer

Edsel's Robert F. G. Copeland
Our advertising was in good hands

18,000 names considered

Everyone knew the new car line would be named Edsel.

But Ernest R. Breech, board chairman of Ford Motor Company, swears that the fact that 17,999 others were submitted and studied (7,000 of them from Foote, Cone & Belding people), was more than just a press agent's exercise.

"When we first considered introducing the new line," he explains, "it seemed entirely fitting that it should be named for Edsel Ford, who served as the company's president for 24 of its 53 years. Edsel stood for 'automotive progress.' In the Continental and otherwise he had an 'important influence on car styling.'"

Still, Breech adds, "we felt that every possible name should be considered. The initial 18,000 was cut to 400, and then to 40. Finally, at a meeting of the company's Administration Committee, "in which President Henry Ford II did not participate, the matter was brought to a vote. 'Edsel' was selected unanimously." Later, the company obtained the Ford family's consent for its use.

senger cars registered in 1955 will be replaced by a "norm" in 1965 of at least 8.5 million.

- That growing population and income will continue to expand the middle-price market, which, including the deluxe series of Ford, Chevrolet and Plymouth, now buys 60% of all new cars.
- That the Edsel would cause younger families, especially the "people who want to stay young," to say: "Look, we've arrived! We can afford a better car . . . a car with individuality."

By 1956, Krafve expects more than half of all U.S. families to be in the $5,000 and up income bracket. Edsel division studies show that three times as many families above $5,000 buy new cars annually as do those below that level.

Krafve boasts that "nothing now offered can match Edsel in performance, nor in beauty of styling. It will be the epitome of the push-button era." (It is reported to be "the most powerful stock car on the road today.")

The car will not, however, be revolutionary. Krafve denies that it will have "a gas turbine or atomic engine." (One problem now engaging its promoters, however, is "explaining to the public what torque means."

Since May, 1955, Edsel's researchers, under David Wallace, have analyzed each of 60 major metropolitan markets, and all 3,072 U.S. counties to determine location and number of dealers needed for introductory (and subsequent) sales and service coverage. Then they evolved specific plans for each market and a proposed time schedule for each dealer location.

With Ford's 10,000 dealers averaging about 12% on net worth, compared to 9% for GM's nearly 20,000, Krafve sees "no great difficulty" in recruiting Edsel's initial 1,200. By early this month, 400 individuals had applied for Edsel dealerships.

This week, Henry Ford II, president, wrote to all Ford dealers. While the Edsel division, he said, is "charged with the job of establishing a new dealer organization of its own . . . full consideration will be given, individually, to . . . any Ford, Mercury or Lincoln dealer who, in addition to his present franchise, might also be interested in an Edsel franchise." Next February 4, Ford added, "we intend to meet with you again via closed-circuit television" when, among other things, "we will tell you more about the Edsel and its place in the market. . . . The market for new cars will be at least 40% greater within the next 10 years. . . . No matter which Ford Motor Co. products you handle . . . you will be selling more cars" because the Edsel's entry will "strengthen the position" of all the company's lines and all of its dealers.

Meanwhile, Doyle's district managers will shoot for "present automobile dealers; successful merchants of other types of products; key employes of present automobile dealers; sons and relatives of such dealers, and present used car dealers."

➤ **General manager Krafve tackled the advertising agency selection with as much care as he is the selection o[f] Edsel dealers.** In 19 months as Edsel['s] manager he has made only two outsid[e] talks, one of them in New York las[t] fortnight before the American Financ[e] Conference. Without naming name[s] Krafve put in a plug for "our advertising agency . . . selected after interviewing 24 of the topflight agencies of th[e] country. Then we visited the hom[e] offices of seven agencies to make [a] thorough check," to make sure of picking "the one which would be most helpful to us."

The seven visited by Larry Doyl[e] and Robert F. G. Copeland, assistan[t] general sales manager in charge of advertising, sales promotion and divisionand-dealer training, included four i[n] Chicago: Leo Burnett Co., Foote, Con[e] & Belding, Earle Ludgin & Co., an[d] Tatham-Laird, Inc., and three in Ne[w] York: Cunningham & Walsh, Compto[n] Advertising, and Dancer-Fitzgerald-Sample. Burnett and FC&B survive[d] this final screening. Then, last February 9, FC&B was signed.

The whole picking process took si[x] months. On August 16, 1955, afte[r] 20 years with the account, says FC&[B] president Fairfax Cone, "we were fire[d] by Frigidaire" (which went to Kudner). Direct loss was $9,000,000 a year. Bu[t] with "collateral" advertising, recentl[y] awarded to FC&B, the total loss wa[s] $16,000,000.

FC&B had never pitched for a automobile account, Cone says, " becaus[e] we wanted no also-rans. And with Frigidaire, we felt we couldn't solicit a G[M] car." On August 18, FC&B's New Yor[k] office received an invitation from Ford['s] then Special Products Division. Con[e] replied from Chicago, sending "basi[c] criteria" and in September he told hi[s] agency's story at Dearborn.

In the following six months Edse[l]

Edsel's Eldon E. Fox

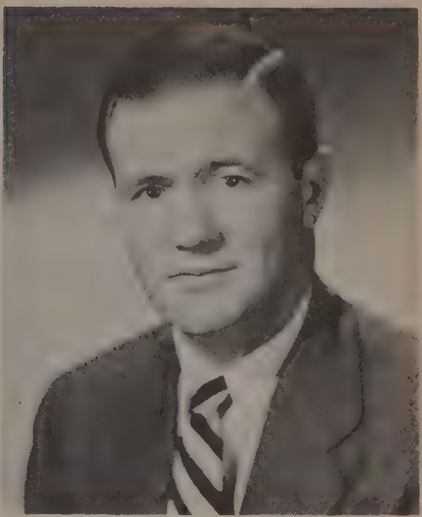
He's ad manager

Edsel's William H. Huber

He's sales promotion manager

FC&B's Fairfax Cone
A 40-minute talk, without notes

FC&B's Fred Ludekens
Once a consultant on Chevrolet



FC&B's Charles S. Winston, Jr.
The first 18 months just for Edsel

and FC&B people met only four times. Edselites went over to FC&B's Chicago headquarters in November and again on December 23. No letters, other than questions and answers, passed between them. Telephone calls merely confirmed dates of meetings.

On the morning of Tuesday, February 7, when Doyle called from Dearborn, Cone was working in the Chicago headquarters of Gillette's Toni Division. One Edsel executive points out that "at first, Fax didn't seem to like being interrupted." Doyle merely asked Cone to "come on over, and bring your lawyer." They went.

➤ Then FC&B found itself embarked on a large opportunity, but holding a big bag. In the 20 months between getting the account and getting billings on it, the agency may go $1,000,000 in the red on its relationship with Ford Motor Co. Cone merely says that "we figure to lose between $700,000 and $1,200,000."

For the immense volume and variety of work on which FC&B's new Detroit staff (and others in Chicago) are now engaged, the agency gets no fees, though Charles S. Winston Jr., vice-president and Detroit manager, suggests that "a fee basis *may* be worked out later."

Cone explains that "Ford offered to advance the money to get our operation going, but we declined." Even with $16,000,000 combined first-year factory-dealer billings, the agency's "own gross," at 15% would reach only $1.4 million.

Many a client-agency relationship has proved risky with a lot less at stake. Foote, Cone & Belding has no contract with any of its 75 clients. Ford, however, has just rewritten "agency arrangements"*—which Ford calls "agreements"—and the Edsel part of which Cone regards as his firm's "first contract."

FC&B—and Edsel—believe, however, that their marriage will last longer than the industry average of 14 years. One factor in FC&B's favor, Cone thinks, is that "we know the importance of the dealer, especially on high-ticket items." Others include this agency's strong position in personnel, because of the recent loss of Frigidaire, and its chain of offices across the country. Edsel service will involve offices already operating in New York, Chicago, Kansas City, Los Angeles, San Francisco and, newly opened, Detroit. Tentatively, others will be located in Boston, Philadelphia, Washington, Atlanta, New Orleans, Dallas.

Edsel executives want to know, too, how other types of new products win acceptance. At one recent orientation meeting of Edsel and FC&B people, Bob Copeland points out, "Fax Cone talked for 40 minutes, without notes, on the FC&B concept on new products. Case histories were Dial soap of Armour & Co., Raid insecticide of S. C. Johnson & Son, and Good Seasons salad dressing of General Foods. . . . We felt that our advertising was in good hands!"

Both FC&B and Edsel are getting manned, of course, to get the advertising-promotion-PR job on the road. In the Edsel Division's expanding organization chart two functions stand just below general manager Krafve: J. Emmet Judge serves as merchandising and product planning manager and is charged with estimating the market, making the cars fit it, and making them available across the land in the right quantity, at the right time, and price (Judge held a similar post with Lincoln-Mercury), and C. Gayle Warnock, division public relations director who formerly was in charge of Ford Motor's public relations office in Chicago.

Edsel Division's Operating Committee is composed of Krafve, Judge, Warnock, marketer Doyle, division heads of styling, engineering, manufacturing, purchasing, industrial relations and the division controller.

Under Doyle, in addition to assistant general sales manager Copeland, are assistant sales managers for planning and analysis and for field operations. Under them are men who handle such functions as dealer planning, sales planning and analysis, dealer development, dealer business management, parts and accessories, service planning, car distribution, sales research (separate from marketing research under David Wallace, who serves with Judge), dealer placement, and training.

Last spring, Eldon E. Fox was named advertising manager under Copeland and William H. Huber sales promotion manager. Fox had directed advertising for Honeywell Regulator Co. and Huber was assistant district sales manager of Mercury at Oakland.

Last June, FC&B named two account executives for Edsel: former Ford advertising executive Albert E. Remington, recently advertising manager of Packard-Clipper Division of Studebaker-Packard, and Bruce E. Miller, who had worked with Packard and Hudson before becoming advertising and merchandising manager of Chrysler's Plymouth Division.

More names were announced when FC&B opened in the National Bank

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*Other Ford agencies are J. Walter Thompson Co. (estimated as billing more than $50,000,000 on Ford cars and trucks and Thunderbird); Kenyon & Eckhardt, for Mercury, and Young & Rubicam for Lincoln and Continental.

Building in downtown Detroit (32 work there now and by mid-1957 there will be 70—plus 50 on the Edsel account in Chicago). At Detroit, Charles S. Winston, Jr. is manager and Clyde E. Rapp, associate manager and account supervisor. Both of these FC&B vice-presidents moved from Chicago.

➤ **Cone expects most creative, research and TV work on the account to be done in Chicago, and most media and contact functions in Detroit.** Incidentally, Winston says: "We intent to concentrate at Detroit on the Edsel for at least 18 months before considering other accounts."

Detroit works closely with a Chicago creative task force headed by Cone, management representative on the Edsel account, and Fred Ludekens, associate creative head. Artist Ludekens, who once was a consultant to Campbell-Ewald Co. on Chevrolet, joined FC&B last April. Chicago's creative group includes A. J. Bremner, copy chief; Curtis Berrien, former copy chief of Needham, Louis & Brorby; and Marvin Potts, executive art director. At Detroit, among others, are Robert F. Hussey, media account supervisor, from the Chicago office; Robert Freeman, art director, from FC&B, Los Angeles; Richard A. Clarke, art director; and John Harvey, account executive, from FC&B, San Francisco.

Client and agency people are learning and doing a lot together. Ford is seeing to it that FC&B people know the Edsel and its objectives—"from the start and from the ground up—as well as our own people do." One way is through Edsel's Product Information Committee. The first two informal meetings of this group, in late June, were for Division people only. An agenda was discussed and affirmed. Copeland was named chairman and R. E. Kimball, car planning manager, vice-chairman and secretary. On June 29, with FC&B people attending, the committee became "a clearing house for any and all product information . . . for use by sales, advertising, sales promotion, and marketing and research people."

Since then, before both groups, Roy A. Brown, division stylist, has told the "full story of Edsel's styling development"; engineers have talked on engines and automatic transmission, power steering, power brakes and chassis, with the help of full-scale mock-ups of the car. At one meeting, Edsel executives answered agency questions on car features and optional equipment. More recently, David Wallace summarized market research findings, and Gayle Warnock described the role of public relations.

In April, Cone and four other FC&B people first went for a ride in a working prototype of the Edsel. From this emerged the big and continuing job of capturing and interpreting the "image" of the car. Related to it was research into the likes and dislikes of owners of competitive cars.

Before landing Edsel only five of FC&B's people happened to have had automobile experience. After the appointment—at Chicago, New York and Detroit over a 10-week period—the agency interviewed 160 "automotive" people. By November 1, eight were hired. Three, at Detroit, are copywriters. But most of the group are working on automobiles for the first time.

Across the country FC&B figures it now has 30 men who are qualified to run the forthcoming branch offices and to serve the Edsel dealer groups. Probably, however, they will not b[e] appointed until next summer. A thir[d] account executive in Detroit will super[-]vise all dealer group advertising.

➤ **At Detroit Al Remington and Bruc[e] Miller now divide more than 10[0] types of sales promotion problem[s] (which include even decorations for th[e] room where dealers will first see th[e] cars), and have clearly marked medi[a] and other responsibilities.**

Under Remington are newspaper[s], consumer & business magazines, deale[r] procurement materials, "merchandisin[g] the advertising" to dealers and thei[r] people, telephone directory trade head[-]ings. Miller is in charge of TV, radi[o], direct mail, outdoor, new car literatur[e].

Fax Cone says "There'll be no sub[-]missions for space and time advertisin[g] until after January 1. But we're no[w] exploring a pre-announcement cam[-]paign in trade papers. Size and natur[e] of a pre-announcement teaser series t[o] consumers will depend on how muc[h] will have leaked out on the Edsel an[d] how much other 1958 cars may hav[e] to talk about."

Work control reports for a curre[nt] month show how the diversified job [is] shared between FC&B at Chicago an[d] Detroit. In Chicago, the radio-TV de[-]partment is studying costs and descrip[-]tions of product and sales trainin[g] slide film programs. The research de[-]partment is summarizing for FC&B Edsel people all marketing informatio[n] thus far collected on the new line; an[d] is making an in-agency study of auto[-]mobile purchasing (there's been a rece[nt] trend among FC&B's people towar[d] the Ford company's cars!).

The copy department is preparin[g] cancellation stamps for factory an[d] dealer mail; additional "service chara[c-]

FC&B's Clyde E. Rapp
From Chicago to Detroit

FC&B's Albert E. Remmington
From Packard to Edsel

FC&B's Bruce E. Miller
From Plymouth to Edsel

ers"; "charter" and "accredited" dealer plans; nomenclature for major car features; formula and programing for dealer direct mail; and determining "ways of conveying torque as useful power to the public."

The art department is busy with dealer signs, store fronts, floor and showroom background designs; a brochure for Ford, Mercury and Lincoln dealers on the new Edsel Division; layouts for a "character dealer" plan; and trade advertising to recruit dealers.

In Detroit, account management is busy with such things as new dealer announcement ads; formula for co-op advertising fund with dealers; and field procedure for phone directory trademark headings.

Media is probing into daily newspaper coverage for 1,097 "phase one" markets; projecting local ad expenditures against income in eight markets in four income brackets; allocating proposed 1957 media costs into factory, dealer and EDA (Edsel Dealer Assn.) charges; and defining dealer categories (wholly local, partly local and wholly grouped) for co-op ad funds.

Copy is preparing an advertising fund brochure and questionnaire; a dealer recruitment reference book; and manuals on service credit and collection, dealer finance and dealer insurance. Ads are in the works for recruiting Edsel district office people. Some other assignments are a Management Reference Manual, sign catalog, dealer advertising book for local use, and an Edsel Car Facts Book. Two other far-reaching copy problems are "ways and means of counteracting General Motors' 50th anniversary program," in 1957, and of "focusing attention on a world-wide Edsel car operation."

Art is engaged on several dealer manuals (which had been returned for revision); 10 types of dealer service material; an owners' manual on "Your New Edsel Car"; and, among others, some chores on which the copy department also is at work.

Advertising does not build the car, but it does build the image and the desire. And while the FC&B people don't "prove" the car, they intend to prove the advertising. They will make a great many tests of themes and copy. On these, and studies, ideas, opinion and experience, Edsel's image is being carefully contrived.

Meanwhile, many advertising plans already are "set" for the whole period up to six weeks before announcement. Expenditures (assuming normal business conditions, automotive and otherwise) have been worked out for all media. But to meet competition and other factors, the facts and figures will be kept flexible. ■

ONE ADMAN'S OPINION

By Lester Leber ®

Successful contests

Contests, particularly for the trade, are anathema in many management circles because they've been tried and they've failed. Other promotional efforts may also have flopped, but the evidence is not so dramatic. With a contest you count entries and if the quantity is disappointing, the memory lingers on.

Usually the failure comes from expecting too much from too little: insignificant prizes, poor planning and not enough notice to the trade. But when you pay the proper price in time and thinking as well as money, a contest returns many times its investment.

Case in point is the Old Spice Father's Day Window Contest. Here is an annual event that attracts a raft of entries. First of all, it's broken down into three categories to equalize competition: department stores in cities over 220,000, department stores in cities under 220,000 and drugstores. Each group competes for its own set of 10 prizes ranging from $1,000 to $25. A theme is provided: keep dad ship-shape. The contest is widely publicized in the business press. Winning display managers are listed in double spreads, all 30 of them, and the three top entries are reproduced.

Not only does Old Spice get dominant display in hundreds of windows but it leaves those who competed with a feeling that the manner in which everything was handled is ship-shape.

Spectaculars in print

A recent issue of Life carries 21 spreads. Since the space cost range from $42,000 for black & white to $73,000 for full-color bleed, about $1,500,000 was invested for facing-page units in this one issue.

What do advertisers get for all the money they're investing in spreads week after week in all magazines? Basically, the answer is *depth of impression by means of drama*. In most cases it's for the introduction of products. Westinghouse's washer and dryer made to sit on top of the other. Ronson's Micro-thin shaver. Premium Saltines' Golden Glow process. Motorola's top-button tuning. Pillsbury's new frosting mixes. A new kind of Ford for 1957.

For others it's a seasonal event. Heinz Harvest Values. Robert Hall's fall sale. Goodyear winter Tires. Lane's Cedar Chest Honeymoon Contest. Chris-Craft's 10% off for fall delivery (save up to $8,769!).

For some the very bigness of the space fits the story. Chesterfield's "Like your pleasure BIG?" Wool Bureau's "most versatile coat." C & O's series on a bigger, better railroad. Institute of Men's and Boys' Wear on "Dress Right—you can't afford not to!"

Two mistakes are fairly common. One is to run a product across the middle in order to get maximum size. (The result is distortion at the binding edge.) Another is to overcrowd the space, because it seems so large that you can squeeze in one more item. (It isn't, and you can't.)

But most advertisers recognize the spread for what it is: a "spectacular in print" that is not the most economical way to get readers per dollar, but excellent for telling an important story.

Everybody in the act

A single magazine page for a sport shirt features the retailer (John David, New York); the manufacturer (Manhattan); his process (Golden Needle tailoring); his name for the fabric (University Flannel); the converter of the fabric (M. Lowenstein & Sons); the luxury in the fabric, whatever that is (Vicara); the maker of the fibers (Virginia-Carolina Chemical Corp.)

Co-operation is a splendid way to get things done. But when it extends to multiple credits, logotypes, brand names, trade-marks, slogans and addresses, it destroys the essential purpose of an advertisement, which is to make a strong consumer impression.

Prediction

One group that will never go far is the Package Designers' Council. Its code of ethics states that paid advertising is a "non-professional method, ranking alongside such unbecoming practices as speculative assignments and plagiarism."

How legal are house agency

As TIDE reported a couple of issues ago the importance of the Robinson-Patman Act to advertisers and advertising agencies has never been so critical. The Federal Trade Commission (with a Republican majority) is attacking with especial vigor what it considers to be violations of Robinson-Patman. Every advertiser who offers merchandising aids to his retailers finds himself subject to the complex and far-reaching provisions of Robinson-Patman **(Tide—October 12).**

There is another, somewhat less obvious area where Robinson-Patman may apply to advertising today. That is the area of the so-called house agency, where the agency is a wholly owned subsidiary of the buyer of advertising.

Congress, of course, has since the 1890 passage of the Sherman Antitrust Act enacted laws in an effort to protect trade and commerce against unlawful restraints, monopolies and unfair competition. While the Sherman act initiated this legislative intent, supplementary laws were passed to stay abreast of increasing commercial activity. One such law is the Clayton Act of 1914. In 1938, a supplementary law now known as the Robinson-Patman Act was framed to deal with certain practices that endangered the continued existence of a competitive market.

➤ **The specific evil, within the framework of unlawful restraints, monopolies and unfair competition, that Congress sought to curb by the Robinson-Patman Act was price discrimination.** Certain practices were prohibited and declared to be unlawful because of their tendency in that direction. The activities alluded to concern payment and receipt of commissions, brokerage, discounts, allowances or similar compensation without the concomitant rendition of equated services.

Robinson-Patman made it unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage or other compensation, or any allowance or discount in lieu thereof except for services rendered, in connection with the sale or purchase of goods, wares or merchandise either to a) the other party to the transaction, his agent or representative, or b) an intermediary who is acting for or in behalf, or is subject to the direct or indirect control, of any party to the transaction other than the person giving such compensation.

➤ **The Robinson-Patman Act's inclusiveness can be appreciated in light of judicial opinion that the act applies also to transactions that have not yet resulted in the evil which it is the statute's purpose to prevent.** If the particular practice that is covered by the act **tends** to lessen competition or create monopoly that practice is unlawful.

The act is usually enforced in these ways:

• Through a civil suit brought by the purchaser's competitor, who has been injured by the unlawful transaction. He can sue for triple damages plus the cost of the suit, including a reasonable attorney's fee.

• Through a petition by the Federal Trade Commission for a court order directing the transgressors to cease & desist from paying and accepting the commission, brokerage or other compensation.

• Through a fine of not more than $5,000 or imprisonment for not more than a year, or both, where the seller knowingly discriminates against a competitor of the purchaser.

➤ **Exactly what, under Robinson-Patman, is the status of commissions paid by a seller of advertising space to the advertising agency of the buyer where the advertising agency is a wholly owned subsidiary of the buyer?** The pertinency of the act can best be illustrated by reporting transactions to which the provisions of the act have been applied. From the following judicial proceedings, principles of la[w] were formulated governing the legalit[y] of payment & receipt of the commi[s]sions in question:

• A group of fur retailers used a pu[r]chasing agency which got its commi[s]sions from sellers of fur garments o[n] purchases made for the fur retailer[s.] Other fur retailers conducted th[a]t phase of their business by maintainin[g] buying offices or retaining the service[s] of fur garment buyers. The purchasin[g] agents were ordered to desist from ac[]cepting these commissions, for the rea[]son that receipt of commissions fro[m] the seller resulted in price discrimina[]tion in favor of retailers doing busines[s] with the purchasing agent. In avoid[]ing, by dealing with the purchasin[g] agents, the cost of maintaining buyin[g] offices or retaining the services of fu[r] garment buyers, the fur retailers ac[]tually were receiving the goods at [a] discount.

• A corporation was formed to act a[s] a marketing service and purchasin[g] agent for a group of wholesale gro[]cers. Each member of the group was [a] stockholder in the corporation. Th[e] corporation as purchasing agent re[]ceived commissions from grocery pro[]ducers for purchases made on behal[f] of the wholesale grocer. The commis[]sions were eventually paid by the cor[]poration to shareholders under th[e] guise of advertising allowance. In de[]claring that the transactions violate[d] Robinson-Patman, the consideration o[f] control of the purchasing agent throug[h] ownership was of paramount impor[]tance. The corporation was acting fo[r] and on behalf of the wholesale grocers[.] The fact that the wholesale grocer di[d] not directly receive the brokerage com[]mission was unimportant as they were[,] in fact, received—though indirectly.

• In another instance, the FTC ordere[d] certain baking concerns, a corporatio[n] of which they were stockholders an[d] certain vendors of baking products t[o] cease & desist from paying and accept[]ing commission. Prior to the cease [&] desist order, the baking concerns ha[d]

commissions?

formed an association, and then a corporation, to act as purchasing agent for members of the association. A part of the brokerage and commissions received by the corporation were paid to the association members as stock dividends. In opposing the cease & desist order, the defendants contended that the brokerage and commissions were received for services rendered (the Robinson-Patman Act does not outlaw brokerage and commission transactions where the person making the payment is rendered a service). The services allegedly rendered consisted of providing a market for the vendor's goods. But it was held that these services would have been performed by the purchaser in the absence of the corporate purchasing agent since a buyer must develop sources of supply to survive. Even if the purchasing agent rendered services to the vendor, it cannot lawfully collect brokerage fees since it was acting as agent for the purchaser.

With reference to commissions paid by a seller of advertising space to the advertising agency of the buyer where the advertising agency is a wholly owned subsidiary of the buyer, this much seems plain. The payment of commissions to the wholly owned subsidiary may be viewed as the practical equivalent of granting a discount to the purchaser of advertising space. Though the commission is paid directly to the subsidiary, the parent corporation in fact receives the benefit thereof, though indirectly.

The Robinson-Patman Act taken as a whole is designed to prohibit the payment and receipt of commissions, brokerage or similar compensation, in any guise, by one party to the other, the other's agent, representative or intermediary. It should particularly be remembered that these practices are unlawful regardless of whether, in any particular case, injury to or destruction of competition results. Congress, in short, has legislated to eliminate recognized tendencies as well as casualties. ■

By Morris Rosoff

Mr. Rosoff is a member of the law firm of Rosoff & Rosoff (New York City). His pre-law studies were taken at Syracuse University and he subsequently graduated from the Brooklyn Law School of St. Lawrence University.

He is admitted to the New York and certain Federal bars and is counsel to a number of trade associations and other institutional clients.

He has been a witness before Congressional committees in matters concerning government, international trade policies.

GE's Rieger

Whirlpool-Seeger's Gray

Westinghouse's Witting

Norge's Sayre

The soft spots in

- **Excess production capacity is a problem—but not the real one**
- **The big bottleneck is effective and economical distribution.**
- **The big makers think they're breaking it at the wholesale level**
- **Coming next: an all-out battle for the appliance retailer.**

AT FULL blast, General Electric's sprawling Appliance Park outside Louisville turns out a major appliance every two and one-half seconds—or 300 carloads of appliances a day.

That, in a sentence, is what afflicts virtually every business today. The need for marketing wizardry to match production miracles is most apparent at the moment, though, in major appliances. For example, GE's major appliance division, under the managership of production expert Charles K. Rieger, was planned for maximum efficiency. GE president Ralph J. Cordiner calls Appliance Park "the largest single expansion project in the company's history." GE, which once turned out appliances in plants in six different states, today turns them all out (except Hotpoint's) at Appliance Park, a single site where production costs are honed by housing each product group from refrigerators to washers and dryers in its own special manufacturing plant, with its own complete staff of administrative, technical and sales people.

➤ **Output such as that which takes place every couple of seconds in Appliance Park means, however, savings in production costs.** Thus GE, for one, has more money for bigger national advertising budgets, bigger cooperative advertising programs, ever more effective distribution networks, lower prices for consumers.

The result of the appliance abundance is clearly a rise of the giants, full-line companies manufacturing virtually every major home appliance you can think of. Some 200 smaller appliance makers, according to one report, have failed to make the postwar grade. Certainly, old established names are falling by the wayside as independent businesses. Deepfreeze now belongs to Amana, Bendix to Philco, Speed Queen to McGraw Electric, Easy Washer to Murray Corp., ABC to Kelvinator. Thor Corp. now makes specialty paper and Christmas tree ornaments.

Remarked Thor (now called Allie Paper Corp.) chairman Arthur Marc mont recently with a tinge of bitte ness: "The industry has changed t the point where the full-line applianc companies aren't actually selling wash ing machines. They are selling tele vision programs, and the fellow wh can buy the best television program selling the washing machines."

But companies the size of Avco ar also quitting the business. The tw most significant mergers in recen months are, of course, the formation o the Whirlpool-Seeger Corp. (wit Radio Corp. of America and Sear Roebuck each holding 20% of the ne corporation's common stock) and Avco sale of its Bendix laundry line t Philco. The first creates a new gian appliance marketer with a huge inde pendent distribution network. The sec ond considerably strengthens Philco i its quest to become a really powerfu full-liner. In fact, Philco's recent reo ganization of its advertising depar ment with one unit devoted solely t local promotion, plus its switch t BBDO, indicate that it is set for a fu attack with its strengthened full line.

➤ **Perhaps more intriguing than th concentration in the major applianc business is the disagreement among th giants on how to move the welter o appliances—from factory to dealer, fro dealer to consumer.** The growing co centration is, of course, obvious, wit General Electric, Whirlpool-Seege (with its RCA-Whirlpool label) an Westinghouse counted as the big thre followed by Philco (whose net incom has skidded in recent years) and Ge eral Motors' Frigidaire division. Eac day finds the major appliance busine looking more like the automobile bus ness with its mammoth productio facilities, its huge national ad cam

hard goods

paigns, its direct-from-factory distribution, its perennial new products and trade-in deals.

This much the appliance business—big and small firms alike – seems to agree on right now: the ever continuing need for new kinds of products. One reason for the delay in assessing the impact of the new RCA-Whirlpool line is that so far only home laundry equipment, room air conditioners, food freezers, built-in ovens and dehumidifiers carry the label.

But, says Whirlpool-Seeger president, Elisha Gray, II: "We should have the main and obvious items in the full appliance line in shipment sometime in January" (refrigerators, ranges and combination washer-dryers). "Once we have the basic items, we can be more deliberate in rounding out the line." To Gray, rounding out the line means adding kitchen cabinets, waste disposers, sinks, water heaters, water softeners, vacuum cleaners and central air conditioners. Further, you can bet on a whole series of new products from Whirlpool-Seeger. At Radio Corp. of America (one of the new corporation's stockholders), scientists reportedly are working on an entirely new method of refrigeration. Within five years there could be an electronic refrigerator which will require no compressor, no motor, no maintenance—the latter certainly a boon to housewives.

In fact, it is probably in the field of electronics that the new product promise lies (aside from the package kitchen, which is mainly a selling concept right now). For example, Whirlpool, Hotpoint, Kelvinator and Westinghouse already market electronic ovens, generally priced from $1,100 up. Tappan, an outstanding small manufacturer, reports that it has managed to sell some 2,000 electronic ovens, all at that high retail price. Meantime, Frigidaire markets "square" refrigerators in charcoal gray; Westinghouse refrigerators automatically eject ice cubes and Whirlpool's new washer leaves laundry lint-free.

▸ **If concentration of production and marketing power in a few strong hands forebodes more pressure on the new product front, it already means a distribution battle royal.** Distribution problems clearly defeated Avco's Crosley and Bendix divisions.

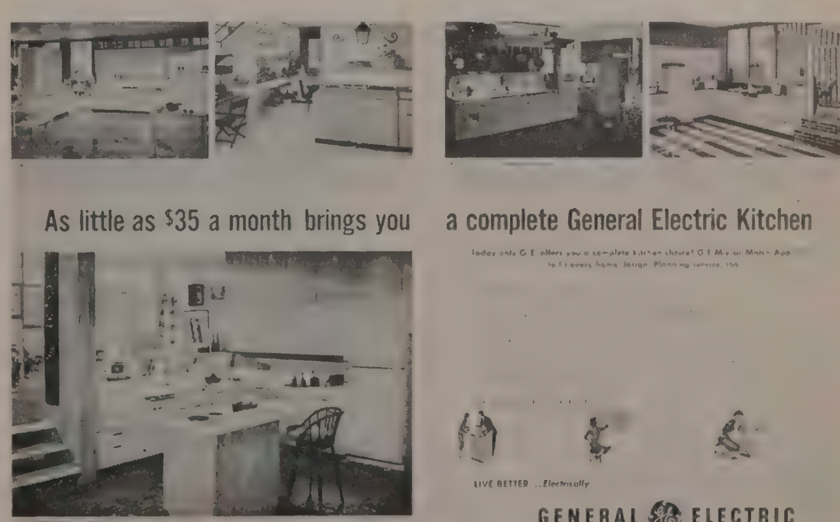
When Avco in 1952 decided in an economy move to market the Bendix laundry line and the Crosley radio-TV line through the same distribution channels, Crosley disposed of its factory branches. The strongest Bendix and Crosley independent distributors were asked to take both lines. But many of the powerful distributors (like those selling RCA radio-TV sets) balked at the choice of keeping Bendix only by taking Crosley and giving up RCA. Many powerful distributors like Raymond Rosen in Philadelphia and Bruno-New York elected not to go along, and Avco had to settle for weaker independents.

The real question the Crosley-Bendix distribution failure raises is whether independent distribution is the most effective and economical—or is the answer factory-owned distribution for more effective market penetration, keeping costs (and prices) down and getting the dealer to sell harder?

Actually, there is no simple answer. For example, Whirlpool-Seeger stands alone among the big three as champion of a network of independent distributors. Says president Gray: "We have no intentions or any plans for setting up a factory branch organization. We are dedicated to the independent distributor. We feel that the moves to full-line companies, such as our merger created, should help to stabilize the number of changes at the distributor level." However, at the time of the merger in September, 1955, Whirlpool had 84 independent distributors in 83 markets; today it has the same 83 markets but 11 more distributors in them—some half of the new distributors RCA-owned.

➤ **The biggest argument for the independent distributor comes naturally from one of the biggest. Says Bruno-New York sales vice-president David Oreck: "The big key in the major appliance business today is specialty selling.** We here, for example, think that the No. 1 selling tool is not national advertising. An RCA ad in Life hasn't much real meaning for New Yorkers. But when we make a big push in local media, we know it pays off. We've seen it happen many times. When you come down to it, the independent distributor is the quarterback who calls the plays in the local market through local media." Oreck, of course, thinks independence is the spur behind that extra push.

If Whirlpool-Seeger is adamant about maintaining an independent distribution network, such a powerful competitor as General Electric seems committed to eliminating it. Word is that GE, following a vast distribution survey, is in the midst of sweeping changes in distribution policies. New York University marketing professor James Drury guesses that GE is trying to "almost completely eliminate warehousing." What GE would like to do, thinks Drury, is to ship right from the factory to the dealer who would, in turn, warehouse the products right in his store. The idea, says Drury, is to streamline the marketing system (same-



GE's package kitchen deal includes credit terms financed by GE

time cutting costs) and to get the dealer to display the full line on the floor of his store.

➤ **Reports (neither confirmed nor denied by the company) are that GE, which once sold both GE appliances and Hotpoint appliances principally through a single distributing subsidiary, started changing that system last summer.** Under the new plan, General Electric Appliances Co. (GEA), under the control of Louisville's Appliance Park, is to distribute all GE branded

GE's refrigerator-freezer doubles in duty as a room divider

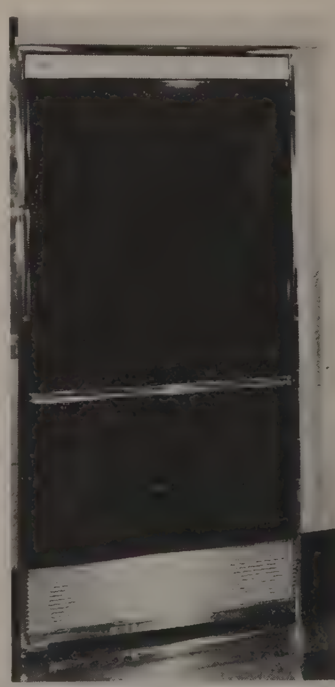
major appliances and television sets. Sametime, Hotpoint Appliance Sales Co. (HASCO), formerly a subdivision under GEA's control, is to distribute all Hotpoint brand appliances and television. That suggests that in each market area there will eventually be a single distributor for GE major appliances and television sets and another for Hotpoint appliances and television sets (the status of the few independents GE uses is up in the air). In short, GE, as a corporation, will have two powerful distribution arms in the same market at the same time. With this simplified, controlled pattern, the next natural step could be toward cutting down on warehouses as retail outlets grow in strength and size.

Even one of the nation's biggest and most successful independent distributors — Thomas F. Joyce, president of Philadelphia's powerful Raymond Rosen & Co.—sees a gradual trend toward factory-owned distributor organizations. "But I think the growth isn't altogether the design of manufacturers," adds Joyce, who distributes RCA radios, television sets and records, Whirlpool-Seeger appliances, American Kitchens, Signal Fans, Pennsylvania Water Heaters and Lewyt vacuum cleaners. "The trend toward factory branches was pushed on manufacturers. Too often the independent distributor doesn't push hard enough. Or if he does, private capital isn't always available to step in. So the factory has to set up a branch."

➤ **Added up, thinks Joyce, the independent distributor must get four things from a manufacturer to be successful:** ever-changing styling to increase product appeal; manufacturing quality to give customers good performance ("most major appliances are sold on time today and what good is it if they don't stay sold"); competitive pricing; and factory-financed advertising and sales promotion to increase demand.

At the retail level, the distribution story takes a different track. Unlike distributors (who tend to stick to a full line of a single brand like RCA-Whirlpool), the nation's appliance dealers generally continue to push several brands. It is true, of course, that bigger dealers may push one of the major lines like GE heavily. But they certainly (as yet) are not operating on an exclusive franchise basis.

Westinghouse is a good example of the new realization among appliance makers that local level loyalty is bought at the local level. With a longtime reputation for heavy national advertising at the expense of local promotion, Westinghouse is now (after its recent strike) waging an all-out war to rekindle dealer enthusiasm for the company and to recapture its market. Aggressive consumer product head Chris Witting is attacking at both the national and local level, with a $30,000,000 budget earmarked for every ad medium.



Frigidaire's square refrigerator comes in colors, even charcoal gray

➤ **Aimed at pushing ranges, refriger[ators], freezers, washers, dryers, was[te] disposers and dishwashers, Westing[house]'s current "Appliance Festiva[l]" campaign points up two significant sel[l]ing techniques you can expect to se[e] more of.**

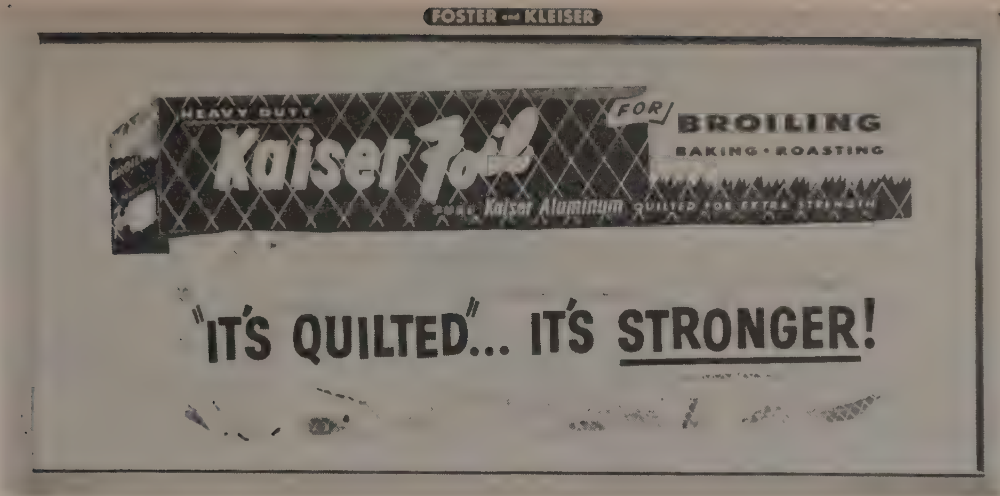
First, of course, is the rash of pric[e] deals plaguing the business. Suggeste[d] dealer ads hawk price deals particu[larly] to move refrigerators (which ar[e] suffering the greatest sales slip of an[y] major appliance this year—a 13% dro[p] in the first six months). In a series [of] what it calls "Snowflake Specials" Westinghouse even makes "limited tim[e] only" price offers for products like i[ts] Laundromat. Equally significant is th[e] second selling technique: the growin[g] use of trade-in offers to stimulate sale[s].

The reason why such price dea[ls] and trade-ins are offered isn't hard t[o] find. Refrigerators, the industry's to[p] selling product at $1.3 billion a yea[r] already has hit 94% saturation. Wash[ers] are in the same boat with 84[%] saturation. Price deals diminish a[s] saturation does. While trade-ins ar[e] offered, these fields are relatively dea[l] free: dishwashers (4% saturation) waste disposers (5.6%), dryers (9.2%)

➤ **There is, however, another reaso[n] for the dealing besides saturation. Th[e] big appliance makers have the produc[tion] and distribution bottlenecks a[ll] but smashed. The remaining one, assuming continued prosperity, is th[e] retailer.** His cooperation is bein[g] bought, and any & every aid to mov[e] the goods off the floor is the pric[e] being paid. There are those wh[o] think exclusive retailing is the next bi[g] step in appliance marketing, much a[s] the automobile industry does it.

Where does all that leave the smalle[r] companies, such as Maytag or th[e] Norge division of Borg-Warner? Norg[e] president Judson S. Sayre is optimisti[c]. Says the man who launched the fir[st] automatic washing machine, a Bendi[x] in 1936: "Any manufacturer, distributo[r] or dealer who manages his busines[s] properly can make money. It alway[s] gets back to people and managemen[t] . . . We prefer to do a 90-95% sellin[g] job with four or five items rather tha[n] a 75% job with an expanded line."

But the smaller appliance markete[r] now has a double job ahead of him. H[e] not only must sell the consumer—an[d] national ad budgets in the industry ar[e] sky-rocketing along with co-op budget[s]. Now he must sell the retailer on hi[s] brand, too—not so easy as the big firm[s] barrage retailers with such lures as fu[ll] lines, factory run consumer credit plan[s], factory run repair service, plus th[e] ever bigger national and co-op ad pro[grams].



Kaiser Aluminum bids for the consumer market

- The company finally invades the crowded aluminum foil field.
- It is tripling its ad budget to do it and to make its name known.
- Its job isn't easy, but Kaiser has confidence in its marketing plan.
- If the plan works, Kaiser's future takes a new turn.

WHEN a big, aggressive company, lready spectacularly successful in one ield, suddenly decides to triple its dvertising budget and invade another, ou can be sure the company's man- gement has been through some deep elf-analysis.

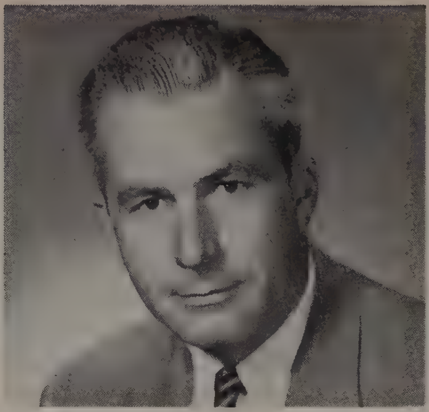
Kaiser Aluminum & Chemical Corp. Oakland, Calif.) would seem like the ast company to need an advertising r new product shot in the arm. Sales ast year (ending May 31, 1956) were highly respectable $330 million, more han double what they were in 1952 nd seven times the sales of a decade go, when Kaiser became the third .S. company to produce aluminum.

It was success itself, in fact, that rought on the need for change. For he company is now an industrial giant, nd it believes the time is here to make he public aware of those extra acts hat distinguish a giant from a good iant. Besides, public acceptance of luminum products generally revolves round acceptance of the metal itself; in the search for new uses of aluminum, Kaiser must shoulder a bigger part of the educational load long carried by top producer Aluminum Co. of America and number two producer, Reynolds Metals Co. Not that Kaiser Aluminum has been an advertising slouch. Its budget last year was over $2,000,000, most of it spent in business publications and for sales promotion. Moreover, the company has long run an institutional series playing up use in industry of products like aluminum sheet, rod and wire. But that, too, is aimed at a business audience.

Last January, however, Kaiser Aluminum decided to triple the advertising budget planned for the fiscal year beginning last June 1. Roughly two-thirds of the new budget (which is in the vicinity of $6,000,000) will go for the new Kaiser Aluminum Hour (alternate Tuesday evenings on NBC-TV). Business paper advertising continues as is, and the balance will be spent to put across the company's first consumer product, Kaiser Aluminum Foil. The ambitious aim for the new product: national distribution in food stores by year's end.

➤ **There is, naturally, a close relationship between the birth of the institutional Kaiser Aluminum Hour and the decision to push Kaiser foil.** Actually, the foil program was approved after the television program was launched with its primary objective of helping broaden the market for Kaiser Aluminum customers. It's doubtful, of course, whether the foil, at least at the start, would grab off enough of the estimated $27,000,000-a-year household foil market, long dominated by Reynolds Wrap, to justify alone a program as big as the Hour. Even now, during the crucial introductory period, the foil gets only one-third of the Hour's commercial time.

However, the foil dramatizes the Hour's message that aluminum is a boon to modern living (Kaiser makes a point of emphasizing the word "aluminum" on its foil package). More important, without the Hour or something similarly dramatic the foil would probably stand no chance in its bid for national distribution. For the number two spot behind Reynolds Wrap is no longer vacant: Alcoa laid claim to it just last February with aggressive promotion for Alcoa Wrap (formerly called Wear-ever). And in the competition for



Kaiser marketers Drewes, Wandtke, Robinson
They thought of a new way to launch still another brand of foil

space on today's bulging grocery shelves, there is a world of difference between being second and being third. Most important, should the foil go over, Kaiser's institutional promoters would get welcome help from its consumer products promoters in carrying television's cost burden.

➤ **If the Kaiser management were the type to weep over spilt milk, the company's current low status in the foil market would be cause enough for tears.** Kaiser introduced household foil a couple of years after Reynolds did, but while Reynolds stayed with it, Kaiser chose to limit its efforts. As late as this year's first half, Kaiser foil sold only on the west coast (and in a few plant communities in the east and south) and in insignificant quantities.

Kaiser says its failure to exploit foil was not a matter of negligence, but of definite corporate policy. Alcoa, the original aluminum producer, had always been careful not to step on its customers' heels. Most of the new uses on which the aluminum market grew were pioneered by small, often shaky, companies which could have been bowled over by the slightest hint that giant Alcoa might compete with them. Reynolds, by contrast, was a user of aluminum long before it became an aluminum producer and consequently it had a more relaxed attitude toward consumer-type end products. Kaiser decided that its forte lay in the direction of supplying aluminum fabricators rather than competing with them.

But times have changed. The aluminum-consuming industries have grown and prospered. As the basic producers introduce an increasing number of specialized shapes and forms, the sharp line between producer and fabricator grows more & more hazy. And with three major producers in the field, it has become impossible for any single producer to protect his own customers. The success of Reynolds Wrap put most of Alcoa's and Kaiser's household-foil customers out of business. When something like that happens, a producer either has to enter the business himself, or give up his share of that part of the market forever.

➤ **That is exactly what led Kaiser late last year to buy out Foil Kraft Co. (Los Angeles), the country's largest producer of aluminum containers for frozen and prepared foods.** When both Alcoa and Reynolds entered this field, Foil Kraft found it could no longer compete. For Kaiser, the decision to buy Foil Kraft signaled the start of a new era.

First move of that new era was to appoint Fred Drewes, assistant to Kaiser Aluminum's vice-president & general manager, as manager of a new division, called the Products division (household screens, containers and now foil). Kaiser hired a top-flight consumer products man, Arthur Wandtke, former BBDO account executive in San Francisco and former western sales promotion manager of Hiram Walker, ostensibly to work on the promotion of the farm and building materials lines. But from the start he found himself in close liaison with Neal Robinson, who for five years had held the thankless job of trying to keep Kaiser Foil alive despite near zero advertising and little executive attention.

The two men, with Young & Rubicam, put together an ambitious five-year plan for the national distribution of Kaiser Foil. Their next job was to sell it to management, which they realized was an uphill battle, since its subject was a controversial one, but the Kaiser group in favor of foil had some potent arguments:

- Kaiser, as a factor in aluminum, was virtually unknown, especially in the east. Most people connected the name with wartime Liberty ships and a not-too-successful automobile (the Henry J. Kaiser interests own 37% of Kai[…] Aluminum).
- An extensive institutional progra[…] would plant the name, but an act[…] consumer product, made of aluminu[…] would make it stick.
- The question of competing w[…] consumer foil customers was now a[…]demic; they had all been virtua[…] eliminated by the success of Reyno[…] Wrap.
- Aluminum foil was the premi[…] quality product in the huge househo[…] wrap market, a healthy reversal of t[…] practice of using aluminum as a subs[…]tute for silver or stainless steel.
- Alcoa was reportedly planning a n[…]tional campaign for its wrap, and [if] Kaiser did not move within a year, [it] would be too late ever to try.

➤ **Last January the Kaiser manageme[…] gave its go-ahead.** **The new budg[…] would go into effect June 1, but [by] then the management wanted to see [a] complete foil merchandise program.**

This gave Robinson, now manag[…] of consumer foil sales, and Wandt[…] now manager of Products division a[…]vertising, and Young & Rubicam exa[…]ly four months. Gene Robertson, f[…]merly ad manager for the manufactur[…] products division of Foremost Dairi[…] came in as Wandtke's assistant on f[…] along with Don Werner, a point-of-s[…] specialist from Hiram Walker. Touri[…] the country, Neal Robinson hired […] men to act as national field supervis[…] all either former sales managers or [as]sistant sales managers of food st[…] products. Through these, some 80-o[…] brokers were selected for national c[…]erage.

➤ **It would not be enough, the m[…]keters decided, for Kaiser to prom[…] just the standard widths and lengths [of] foil.** It had to match what the co[…]petition had, but it had to have a uniq[…]

product too, so that brokers could try to gain entry with a single item, if blocked with the whole line. The choice for this key role went to a new type of embossed, "quilted" foil. This product, made of heavier gauge aluminum, seemed to have extra resistance against the kind of abuse inflicted by the amateur chef, and was promptly dubbed Broiler Foil. Around that was built an introductory campaign offering "free" rolls of Broiler Foil (the entire purchase price can be recovered by mailing in a part of the package flap). This money-back offer, lasting till the end of the year, was repeated in floor displays and bins, shelf talkers, etc.

To give the package itself extra punch, and again to emphasize the aluminum theme, it was reprinted on foil-laminated board. Then it was sent to Container Laboratories (Chicago) to test its effect in mass displays, etc.

Surveys substantiated the company's belief that "foil" had a better recognition value than "wrap," despite all the missionary work done by Reynolds. There was also a quick and ready interest in the Broiler Foil idea.

By early June, all was ready. Packing their bags and roughs, the Kaiser marketing team journeyed to the major markets of the midwest and east, giving presentations to brokers.

➤ **But back in Oakland, a problem had developed. The Kaiser Aluminum Hour, which had been planned in general outline early in the spring, was suddenly brought front & center by word from NBC-TV that a time slot was available—if Kaiser and Y&R could make it on time.** Kaiser hadn't even organized a television unit in its advertising department, and Y&R's San Francisco office was hardly staffed to handle a show of that size. But on July 3, after several hectic weeks, the first Kaiser Aluminum Hour went on the air. "Katy," an appealing 10-year-old from Los Angeles, is the sales girl for Kaiser Foil on television. Kaiser hopes she will transmit the sense of simplicity that it believes characterizes Kaiser Aluminum products.

With this fire put out, the marketing group returned to the task of winning approval from management for the foil program. On July 12, the marketers won.

To take full advantage of the 1956 holiday shopping season, however, they figured they would have to have complete programs in the hands of their brokers by September 14. This meant they had only two months to print & distribute all the selling tools.

By some miracle of good luck and hard work, the job was done. Precisely on schedule, grocery store journals blossomed with aluminum foil inserts announcing that Kaiser Aluminum intended to "follow the rules." By that it meant eight "ground rules" laid down

Kaiser's most dramatic strategy is offering one package of foil free

by key grocery buyers when asked the question, "What do we have to do to make Kaiser Broiler Foil a volume seller?" (see box.)

➤ **Kaiser Aluminum at this time is concentrating its advertising at the local level.** With the exception of the Kaiser Aluminum Hour, all of the program is designed to reach the grocers' customers through large space newspaper advertising, outdoor advertising for package identification and local television spots for mass audience. In all of this advertising, the accent is on product identification and not service copy. Kaiser Aluminum wants national distribution—and it wants it fast.

The exception to these general rules is a fat 24-page insert in the current (November) Everywoman's magazine. A recipe book, featuring foods cooked with Kaiser Foil, and introducing new cooking methods developed by Kaiser Test Kitchens, the insert has appealing features for Kaiser. For instance, the move helped to open several chains that otherwise might have been impossible to crack. A grocery operator, believes Kaiser, thinks twice before refusing to stock an item heavily promoted in a magazine his stores distribute.

To keep the pot boiling, the company has established the Kaiser Test Kitchens in San Francisco under the care of home economist Virginia Guild. The test kitchens concoct such novelties as frozen pancakes, which you wrap in foil to store.

Kaiser is obviously dead serious about its first major entry into the consumer field. It couldn't have picked a tougher product to start with, either. And while it is much too early to predict the outcome, there is no doubt that if effort and care are what it takes, Kaiser will make the grade. ■

Kaiser's key to grocery buyers

"What do we have to do," Kaiser Aluminum & Chemical Corp. asked various grocery chain buyers, "to make Kaiser Broiler Foil a volume seller?" Kaiser, about to launch nationally its first consumer product, wound up with these ground rules:

1) Produce a product that is superior in quality to others available to the consumer.

2) Price it to allow no less than 23% markup.

3) Package your product so that it is competitively superior to others now on the market.

4) Support it with national advertising, preferably a national television show.

5) Support it with strong local advertising to include, if possible, major media such as newspapers, television and outdoor.

6) Give the consumer an added incentive (other than product superiority) to buy your product.

7) Give the dealer practical in-store merchandising materials to help build volume—not just foil volume, but related item volume as well.

8) Time all major promotions to match maximum sales volume opportunities.

One auto dealer's answer to slumping sales

Auto dealer Dumas Milner
To make a buck, spend one

ROBERT ERNEST MILNER started his business career by selling tailor-made clothes while taking a one-year course at Chillicothe Business College, Chillicothe (Mo.). He was, in his own words, "not only the best dressed kid in school, but I left there with more money than I went in with."

➤ **Today R. E. Dumas Milner is the biggest General Motors dealer in the world, as well as one of the biggest businessmen in the south and southwest.** He owns or heads six automobile dealerships (four Chevrolet, two Pontiac) in Jackson (Miss.), New Orleans, San Antonio and Fort Worth (Tex.), Tulsa (Okla.) and Little Rock (Ark.), and this month will add another Chevrolet dealership in Kansas City (Mo.).

Besides his automobile businesses, Milner also owns or controls an insurance company, a manufacturing company, a car rental service, an airport limousine service, two garages, two hotels, an office building and is a major stockholder in a newspaper, The Jackson State-Times. Clearly, when and if Milner retires (he's only 39), he'll leave the business world as he left college—with a lot more money than he went in with.

Of all his business interests, Milner is most interesting as an automobile dealer, not just because he's one of the world's biggest but more because of the way he runs his auto dealerships. This past year, while other dealers suffered sales slumps up to 50%, reduced their sales staffs and cut back on their advertising, Milner added more salesmen, paid them more money, and increased his advertising by better than 40% over 1955. Milner's philosophy is one that seems to escape too many of today's 40,000 franchised auto dealers: "You have to spend a buck to make a buck."

Milner is obviously making a buck. From his auto agencies alone, during the first six months of 1956, dollar volume was $24,803,800, an increase of several million dollars over the same period in 1955. While other auto dealers were struggling to unload cars, Milner sold almost 12% more new cars and better than 20% more used cars in 1956's first half compared to 1955's like months.

But Milner is racking up these increases solely because he's spending a buck too. His 1956 advertising budget will hit close to $1,250,000. What's more, for 1957 Milner has allotted $1,475,000 for advertising, broken down as follows: $725,00 in newspapers, $300,000 in radio, $300,000 in television (mostly spot) and $150,000 in outdoor. He places it through three ad agencies: Pitluk Advertising Co. in San Antonio, Jack Reed Advertising Co. in Fort Worth and Walter Payne Advertising Agency in Tulsa. An agency near the dealership, he explains, can serve its needs better than an agency located far away from it.

➤ **Milner attributes his sales success to two things: 1) the volume and consistency of his advertising, and 2) keeping his salesmen well paid and happy.** Salesmen, Milner insists, must be "happy, enthusiastic and family men." He believes that high salaries, coupled with bonus incentives, and promotion from within, keep them happy and enthusiastic. During January and February of this year alone, Milner spent more than $15,000 in bonuses as part of a "sales volume jamboree." His salesmen can also win new cars for themselves, trips to Mexico City or New York, or just plain cold, hard cash.

Again unlike many of his contemporaries, Milner is not eager to build volume alone—he wants to create customers, not sales. Says Milner: "You can make nickels on your parts and service departments, and lose thousands of dollars through bad word-of-mouth publicity from one customer who thinks he has been badly treated."

Why were new car sales off acros the U.S. in 1956? Milner does n blame overproduction (he usually can get enough cars) nor lethargic dealer he believes, instead, that "soft good and some of the newer appliances lik air conditioning are making a good bi for the consumer's dollar. I also think, Milner adds, "that a tightening c money is having its effect. It's up to u to put out more effort—and to spen more money—to make a sale."

One of the things that Milner spend more money on is building traffic. Jus recently he ran a Lucky Key contes involving five of his six dealership Thousands of car keys were mailed ou to car owners, and one of them opene a lock on the steering wheel of a ne car. And thousands of potential cus tomers showed up at Milner's agencie to try their luck.

Milner is also a great believer i "specials"—special cars offered at a attractive price. But unlike many deal ers, Milner always has the car offere at the price listed. "For instance," say Milner, "if we advertise a Chevrole business coupe for $1,595, we alway have it in stock and will sell every cus tomer who comes in the car, as adver tised, at that price. We don't believ in misleading the buying public."

➤ **Milner believes the two greates weaknesses in most automobile dealer ships today are inconsistent advertisin and the lack of a quality, experienced satisfied sales force.** He advises dealer to maintain a consistent ad campaign in terms of both volume and quantity and to keep tabs on which ads get th most results—so they can be repeate from time to time, as he does, for th most effect. And he advises dealers t examine their sales forces closely, t determine that salesmen are well pai and "treated with the respect that an independent merchant is entitled to and the same respect any good citize is shown." ■

"Call LaGuardia . . ."

Admen as consumers—and vice versa

WHEN an advertising executive goes out to buy a gray flannel suit or a fifth of gin, just how much is he influenced by someone's else's advertising in his choice of brands? And how much does his role as a consumer affect his job as an advertising executive?

➤ **This interesting inquiry into the adman as a consumer—and vice versa—was placed before the advertisers, agencymen and public relations executives on the Tide Leadership Panel.** Almost without exception, Panelists admit to being influenced by advertising, but by varying degrees:

• 48%—the biggest single group—say that advertising does affect what they buy, even though they are usually conscious of the calculated motivational efforts behind it

• 25% insist that their special knowledge of advertising techniques has little or no effect on their consumer reactions. Good ads, they claim, have the same strong effect on adman and non-adman alike.

• 18% confess that they're hopelessly schizophrenic—half advertiser and half consumer. These split personalities feel happy though schizoid; rather than losing contact wth their environment, they operate effectively in both areas.

• 5% think their involvement with advertising makes them more receptive to advertising than the average consumer. As one west coast agency executive puts it, "I'm interested in advertising, hence I notice it, read it, and buy from it probably more than the average consumer."

• The remaining 4% admit that their own experience in advertising makes them suspicious of others' advertising. Subconsciously, they say, they tend to discount or dismiss most of the advertising they see or hear.

➤ **To pin the Panel down further, Tide asked each Panelist to list his most recent purchase (costing more than $1) and to attempt to evaluate what effect advertising had on that purchase.** Discounting those who answered with "lunch" (on the assumption they were motivated more by hunger than advertising), the most common pur chases were clothing, gasoline anc liquor. Among the more interesting purchases, incidentally, were a hem lock tree, two telegrapher's keys, bottle of tequila, peat moss, a dog muzzle and a pari-mutuel ticket which didn't pay off.

As for clothing, gasoline and liquor however, advertising was attributed a the prime motivating factor in 75% o the cases; it either had built up a branc preference of long standing, or hac prompted an impulse purchase.

Taking all purchases together though, the effect of advertising in fluence is somewhat less than fo clothing, gasoline and liquor alone Looking back on their most recent pur chases, almost two advertising execu tives out of four insist advertising hac no direct influence; one out of four say advertising deserves all (or almost all the credit, and the remaining one ou of four believes that advertising shoul get some credit.

➤ **A majority of Panelists are firml convinced that their role as a consume carries over into their advertising wor and most insist this is a good thing** They believe that their advertising i more objective, factual and believable because, as consumers, they want t be treated that way themselves.

"If you can be objective about som of your consumer reactions," says th marketing manager of an applianc company, "then you have some idea o what motivates consumers." A mid western public relations executive in sists that "It's not only helpful, it' necessary."

A small number of Panelists conten that their consumer and advertiser per sonalities should influence each othe as little as possible. "There's a danger, says the market development directo of a pharmaceutical firm, "becaus you are apt to judge all consume reactions by your own." And a fe Panelists insist there is no problem i disassociating the two. As one wel known advertising manager puts i "The fact that I'm also a consume affects my job as an advertising ma no more than a real estate broker's jo is affected by the fact that he owns house."

➤ **The advertising director of a chem cal company sums up his feeling o this matter with bitter finality.** probably louses me up some," h claims, "because of one-man surveys myself—and that's a pretty small sam ple. I do better when I survey m wife. It never fails—she always think exactly the opposite of the gener public."

Ad volume in September barely holds its own

September is usually a healthy month for advertising volume, what with many advertisers returning to their favorite media and others boosting ad budgets with one eye on the holidays.

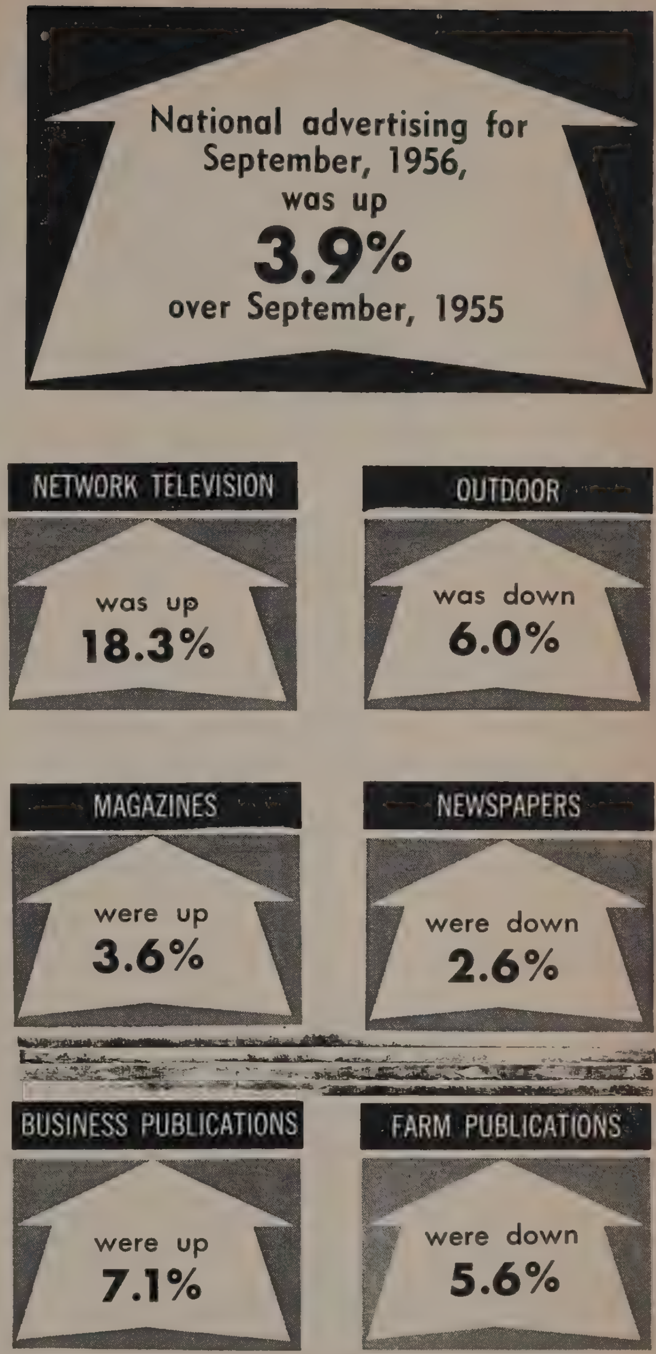
All of this went out the window this year. Three of the major measurable media in September dropped below the same month last year, and all national advertising volume ran only slightly ahead of 1955's September.

The **Tide** Advertising Index, prepared by J. K. Lasser & Co., shows this September a slight 3.9% ahead of last year's like month, a rise from 191.5 Index points to 198.9 Once again, **network television** kept the national Index total above sea level; net TV shot up 18.3%, from 310.4 Index points to 367.2. Other media fared like this:

- **Business publications** gained 7.1% in September over 1955's September, a jump from 208.1 points to 222.8—a record high Index rating for business papers.
- **Magazines** moved 3.6% ahead, from 167.3 points to 173.4.
- **Outdoor** took the highest drop, a 6.0% slump from 173.6 Index points to 163.1.
- **Farm publications** fell off somewhat, from 127.3 to 120.2, a 5.6% drop.
- **Newspapers** also slumped, a drop of 2.6% from 178.5 points to 173.9. A decrease of almost 40% in automotive lineage accounted for most of this volume loss.

For the year to date, all major measurable media are running ahead of 1955's first nine months. Total ad volume is up 9.9%, with network television leading the parade of individual media with a 21.8% increase over 1955's first nine months. Magazines and business publications are also well ahead of 1955's year to date.

Network radio figures are not reported in the Index due to rate complications, but an estimate is included for consistency. All Index figures are based on 100 equal to the 1947-1949 average, except television, where 100 equals the 1951 average.



YEAR TO DATE

	1956	1955	% Change
National advertising	192.7	175.4	up 9.9%
Newspapers	185.0	172.8	up 7.1%
General magazines	156.1	140.6	up 11.0%
Network television	369.2	303.2	up 21.8%
Outdoor	158.2	152.6	up 3.7%
Farm publications	124.4	113.6	up 9.5%
Business publications	195.7	177.1	up 10.5%

THREE-MONTH TREND

	September 1956	August 1956	July 1956
National advertising	198.9	175.6	158.4
Newspapers	173.9	155.2	153.6
General magazines	173.4	118.4	109.6
Network television	367.2	400.8	353.1
Outdoor	163.1	160.2	161.5
Farm publications	120.2	94.1	79.4
Business publications	222.8	183.0	177.0

Universal's strategy outflanks big competitors

- **The Landers, Frary & Clark division battles giants like GE.**
- **Yet its Universal Coffeematic is now top seller in the field.**
- **Here's the strategy that does the trick.**

IN THE fiercely competitive small appliance business, it's not easy to buck size—the big firms with big names, big staffs and big, and growing bigger, budgets for promotion. Yet that's exactly what medium-size Landers, Frary & Clark (New Britain, Conn.) does successfully in the automatic coffeemaker field with its Universal brand.

➤ **For the past five years, the Universal Coffeematic has competed with powerhouse companies like General Electric and Sunbeam.** Yet despite ever greater marketing pressure from the big firms, the Universal Coffeematic, selling at a rate of 1,000,000-a-year, now leads the field with at least 30% of the $72,000,000-a-year automatic coffeemaker market. And the future looks even brighter since saturation is a mere 32%.

A good guess is that the Universal Coffeematic accounts for roughly one-third of Landers' total annual sales ($30,000,000 last year despite a 26-week strike). The Coffeemaker certainly is the top performer in Landers' Universal electric housewares division (which also includes toasters, mixers, heating pads, blankets, irons, frying pans, waffle makers, hotplates, etc.).*

The Coffeematic's sales success results directly from the marketing blueprint Landers drew for itself five years ago. In 1951 it disposed of its major appliance line—electric ranges, washing machines and water heaters—to devote itself exclusively to housewares. Since then, the housewares maker has refined its strategy into what ad director William J. Cashman labels "the one product principle of concentration."

*Originally a manufacturer of furniture casters and wardrobe hooks, 124-year-old Landers, Frary & Clark started making percolators at the turn of the century. The Universal Coffeematic—the first automatic percolator—was introduced in 1941, but was not promoted extensively until the end of World War II. Actually, the Universal electric housewares division is only part of Landers' heavy invasion of the home product field. Three other divisions and three other subsidiary companies in the 3,150-employe firm make and sell everything from vacuum cleaners and floor polishers to vacuum bottles, lunch boxes, scales, food choppers, ice crushers, can openers, vaporizers, sterilizers, knife sharpeners, curling irons, foot and hand vibrators.

Universal marketers Westerfelt, Cashman and Goold
Watch for them to promote a new product soon

➤ **Explains Cashman: "The medium size manufacturer competing with gian corporations has a choice of two meth ods of building brand acceptance. O one hand, he can spread his marketin force equally behind all his products** We think this only dissipates his abilit to move faster than the giant. On th other hand, he can concentrate on on product with a big potential.

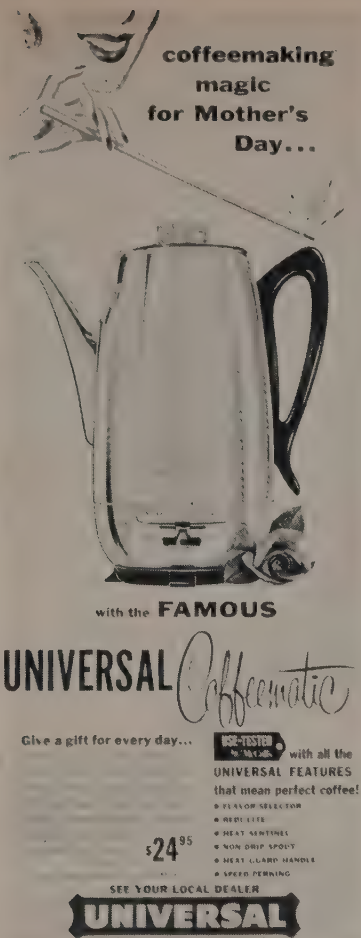
"Our strategy in developing the Cof feematic is 'one product concentration We use the Coffeematic to spearhea the rest of our small appliance line. I this manner, for example, we can plac more ad dollars behind the Coffeemati than most of our big competitors, an thus meet their larger sized budgets.

Cashman, who came to Landers Frary & Clark in 1934 as sales manage of electric ranges, thinks this marketin policy has at least one important corol lary. "Once the medium-size markete has built one product—like our Coffee matic—into a big volume item, he ca repeat the process for a second produc This is because volume for the firs product cuts production and distribu tion costs for that product. You the have a little more money to play aroun with." (Although it won't say whic one, Landers will soon start buildin up another product.)

➤ **The "product concentration" theory of course, keys the advertising strategy** Of the company's total budget c $2,500,000 this year (70% of whic goes into national advertising), abou $1,750,000 is spent to promote prod ucts in the Universal electric house wares division. Of that $1,750,00 $1,200,000 goes into the ad push fo the Universal Coffeematic.

Core of Cashman's media progran is to spend some 70% of the nationa budget in 26 general, women's service home and grocery store magazines. "W gain certain national prestige by plac ing 94 different ads during the yea (with the frequency of appearanc greatest in the last two months of th year when the Universal electric house wares division does almost 60% of it business).

"Coupled with the policy of on product concentration," continues Cash man, "is our policy of relating othe products to the Coffeematic. For ex



Universal has a four-pronged ad strategy: early in the year it runs cut-price ads to clear old models. Then comes introduction of new models and gift promotions for Mother's Day and brides. Premium offers spur summer sales. At Christmas, Universal runs an even more unusual promotion (see accompanying article).

ample, we run facing half-pages to play up the Coffeematic and our toaster, the Coffeematic and our frying pan. In this way we think we stretch our advertising dollar to the limit."

In addition to this magazine campaign, Cashman puts 21⅔% of the national ad budget into newspaper in 34 key cities that account for 65% of the total sales volume of the small appliance division. The remaining 8⅓% of the division's national ad budget goes into business papers. "Since Universal Coffeematics are sold through several kinds of stores—hardware, department, jewelry and appliance stores —we use business papers in all these fields to carry our quarterly promotion story to retailers."

➤ **"While each quarter's program is complete within itself," explains Cashman, "all are designed and timed to build up to a tremendous campaign to get top volume sales in the fall and Christmas selling season."** Most of Universal's national ads push the quarterly promotions—it does run, though, two series year-round of single product ads (the Coffeematic) and the facing half pages previously mentioned.

For example, the first quarter promotion, aims to clear old models—the eight-cup Coffeematic sells for $21.95, $5 below the usual list price (Universal's 10-cup Coffeematic is listed at $29.95 and $32.95 in copper; GE's de luxe coffeemaker is fair traded at $27.95).

The second quarter promotion, beginning the end of March, introduces the new Coffeematics at least three months before the usual "coming-out party" at the July Housewares Show.

Cashman's third quarter promotion, which emphasizes iced coffee, includes a special premium offer. A certificate was packed with every Coffeematic last summer, redeemable with a check for $9.95 to Landers, Frary & Clark, for a $21.95 Sunbrella Set consisting of an iron table and umbrella.

➤ **The fourth quarter promotion emphasizes not only Coffeematics, "but our complete line of Universal housewares."** This time, Universal runs a contest for consumers. Without buying anything, but merely by filling out a blank form obtained "from any one of our dealers" a consumer may win one of 901 prizes worth a total of $25,000. All the customer has to do is write in 20 words or less what he considers the most appropriate Universal electric housewares item for a Christmas gift. The basic purpose of the contest, dubbed the Santa Claus Club, says Cashman, is to build store traffic. Every dealer gets a duplicate prize whenever one of his customers wins ("so it pays for the retailer to promote the plan"). There's one hitch: a dealer must purchase $250 worth of Universal electric housewares to take part in the contest.

➤ **Cashman's ad department produces all the local level promotion and co-op advertising material, and Landers' own half-block long printing plant in New Britain turns it out.** Under ad manager George Henderson and assistant ad manager Stephen Krykew (they handle daily details while Cashman plans ahead), 18 members of the ad department are responsible not only for complete creation, budgeting, production, copy, art and distribution of all Universal promotion material, but of that used by all Landers' companies.

Meantime, Cashman handles the national ad program through meetings three days a week in Manhattan with account executive Ken Westerfelt and Gilbert Goold, president of Goold & Tierney, Landers' ad agency for almost 25 years. ■

New Tide Series

Today, close to one out of every five advertising dollars spent by national marketers directly supports some sort of local dealer ad program. With competition ever toughening, dealer relations and dealer participation in the total advertising effort grow ever more vital. Yet stating the problem is much simpler than solving it.

Virtually everyone involved with co-operative advertising knows of the harassing and often dishonest abuses that gnaw continually at the medium's effectiveness. Yet, sametime, two out of three advertisers using co-op programs believe that basically the medium is necessary and effective. How can the medium be turned into a businesslike one?

Tide, with the accompanying article, starts a series on ways out of co-op's problems. This article surveys the situation as it exists today—not a happy situation, but not a hopeless one, either, Part II will show how advertisers in various industries view and use the medium, and how they are uncovering and knocking out abusive practices. Part III will examine their three colleagues in co-op: the retailer, the medium and the advertising agency, the latter traditionally hostile to the co-op theory.

Part IV will report the complex legal situation surrounding co-op advertising right now, particularly exploring the Robinson-Patman Act.

Time for a new look at co-op

- **Advertisers will spend $800 million this year on co-op ads.**
- **Yet the medium is full of abuses, even blackmail, fraud.**
- **One out of every three advertisers would quit it if he could.**
- **This article begins a Tide series on ways out of co-op's problems.**

CO-OPERATIVE advertising is like an iceberg—seven-eighths of what goes on in the medium is beneath the surface. Actually, co-op started as a logical way of aiding dealers. The idea, of course: to add power to national advertising by local advertising that backs it up.

But as marketing has grown more complex, so has co-op. Hardly an industry, company, distributor, dealer or medium escapes it. It is the subject, even, of detailed federal legislation. In short, it is big business—but one that is very nearly out of hand. Indeed, one out of every three advertisers using it would quit co-op in a minute—were he free to do so.

Size and ubiquity aren't in themselves bad, and they are not what is bad about co-op. Rather, it is the atmosphere of double dealing which has come to surround the whole subject of co-operative advertising. Manufacturers are charged with illegal discrimination against some dealers. Dealers are charged with blackmailing advertisers and, worse, defrauding them. Progress remains painfully slow in cleansing the co-op atmosphere.

➤ **Sametime the realization is finally coming through to many marketers that co-op may no longer in many industries be a legitimate advertising tool, but rather a tactical weapon in today's all but bloody distribution war.**

The fact is that a large, high-volume retailer can force concessions from manufacturers—and the more competitive the industry, the greater the concessions. Generally speaking, these concessions are out in the open. For example, there are the so-called space brokering agreements demanded by large department stores and chains. Very simply this means that the store charges manufacturers a flat rate per line of newspaper space no matter what the store's local earned rate is. Very often this charge is close to the national rate. Since really large stores in metropolitan markets contract for space in million-line quantities, at a very low local rate, the rate charged the manufacturer not only covers the whole cost of the ad but actually leaves a little something which the store pockets or applies to its straight store ads.

Another switch in this system, common among large appliance dealers, is for the store to contract for a given amount of space far short of its estimated needs. Manufacturers are billed at the contract rate. At year's end, however, the store earns a substantial rebate from the medium since its space purchase have gone way over the contract purchase. The rebate is not shared with the manufacturer.

➤ **Many advertisers wink at this type of abuse. Explains one: "It's true that some dealers make money on us, but we put up with it because even at an unrealistic local rate we get a break on advertising space.** We get a lot of linage at less than the national rate, and that's what we want."

Smaller dealers, not important enough to the advertiser to get away with space brokering, often resort to more secretive methods. Chief among these is the practice of double billing, which needs the support of media to be effective. Very simply, the newspaper or broadcasting station furnishes the retailer with duplicate bills—one for the actual cost (which the dealer pays), the other for a greater amount, which the dealer sends to the manufacturer.

In all these shoddy operations, the assumption is that the manufacturer actually gets advertising for his money even if he pays a higher rate for the privilege than he feels is fair. The worst irritant in co-op abuses is the realization that very often money is paid for no performance whatsoever.

This runs from false scripts and doctored affidavits for non-existent radio spots to phony printing bills for a direct mail campaign that never reaches half the prospects the manufacturer pays for. Duplicate postal receipts fo

a single mailing are used as evidence to collect co-op money from half a dozen manufacturers. A manufacturer's message is buried among a heap of similar illustrations in a department store's omnibus ad. A manufacturer pays a premium for special position in a newspaper or for class A time on radio & television which he doesn't get because the dealer never asked for it.

➤ **Few people deny that the co-op problem grows more serious every day. The question is, why?** The answer seems to lie in the nature of modern retailing. Co-op is used most heavily by these industries: appliances, clothing, drugs & toiletries, food, paint, petroleum, soap products and tires. These industries use it least: chemicals, jewelry, household furnishings, life insurance, industrial products. In short, co-op is a tool of high volume selling, the hallmark of the retailing revolution.

Sametime there are differences within these product fields There are relatively few out & out abuses on the part of food retailers, the pioneers in mass selling. But food manufacturers, while they get a fair shake for their co-op dollars, aren't really interested in co-op as a bona fide advertising tool. Their most significant reason for offering co-op funds is that the money is good insurance: liberal co-op from the manufacturer means in return liberal shelf space, frequent in-store promotions, and acceptance of point-of-purchase material. In addition, co-op allowances insure continuous stocking of a product (since co-op funds are contingent on dealer purchases), an important consideration in the crowded, highly competitive food business. In effect, co-op in food marketing is a distribution tool rather than an advertising tool.

➤ **The appliance business is an example of the need for co-op advertising as it was originally conceived—and of what happens when manufacturers follow the leader with a sort of co-op dole.** On one hand, the problem for appliance manufacturers is not to convince retailers to accept co-op allowances but to limit the demands for advertising money. However, the cynical abuse of co-operative advertising contracts is widespread among appliance dealers. Logically, this suggests that reailers are either unwilling or unable to contribute advertising dollars. In either case, they seem to lack faith in the concept of volume selling—and in the advertising that helps make it possible. If all the allowances doled out by manufacturers went into the purchase of space or time, or if all the factory money which is actually paid to media were matched equally by retailers, there's little doubt that many more appliances would be sold. But the sad fact is that too many appliance dealers believe in advertising only to the extent that manufacturers are willing to shell out for it.

➤ **Of course, the question remains: if co-operative advertising is so wasteful and inefficient, why do advertisers support it—and support it they do:** one estimate pegs factory expenditures at nearly $800 million this year?

The answer is that most advertisers still think co-operative advertising is a bargain. National newspaper rates on the average are 60% greater than retail rates—thus a manufacturer could pay not only the whole cost of a co-op ad, but allow the retailer a little profit on the deal and still get his space at less than national rates.

Second, co-op exactly matches an advertiser's pattern of distribution, since allowances are made, naturally, only to retailers stocking the product.

For what it's worth, some advertisers believe that co-op has primed the pump of local advertising, that it has inspired retailers to develop regular advertising programs of their own, which takes some of the load off national advertising. Tied in with this is the prestige a product gains when it's backed with the name of a reputable dealer.

Sametime, advertisers realize that local advertising can often be placed more successfully by retailers who know their markets and their local media.

➤ **Those are positive values. In addition, there are several reasons for continuing co-op advertising which are highly negative.** Chief among these is pressure of competition. In highly competitive industries where co-op is used almost universally, no manufacturer wants to expose himself to retail boycott by being the hero who drops co-op first. Sametime, it's estimated that some one-third of all advertisers who use co-op would cut it or drop it if their competitors led the way.

➤ **Despite abuses, the co-op situation is far from hopeless, and much can be done to make co-op an honest, efficient advertising tool.** It's important to remember that retailers are just as dependent on manufacturers as manufacturers are on them. Dealers have to sell goods to stay in business. It's been said that strong consumer promotion is the best defense against co-op abuses.

Second, every effort should be made to enlist the aid of advertiser and media associations. The Assn. of National Advertisers has taken several steps in the right direction by conducting a series of research studies on co-op. More important, it's developing a file of co-op advertising agreements and a file of newspaper rate cards (1,400 so far).

➤ **Meanwhile the Federal Trade Commission is showing unusual activity in investigating co-op abuses.**

Most important, though, is the job advertisers can do to sell U.S. retailing once & for all on the value of advertising in building profits. The co-op problem would disappear if retailers could be convinced that the way to riches lies in selling merchandise, not in taking hidden subsidies from manufacturers. ■

Co-op's share of the ad dollar

Based on the Assn. of National Advertisers' recent study of trends in co-operative advertising, here's the proportion of total ad expenditures spent on co-op, industry by industry. In the case of some of the heaviest co-op users, specifically appliances, drugs & toiletries, food, radio-TV, total advertising expenditure has grown so fast that the percentage for co-op has dropped from 1950 to 1954, but dollar volume continues to increase. For all industries, co-op expenditure has increased from 15% in 1950 to 18% in 1954. For companies using co-op in 1950, the percentage has risen to 20%.

	1950	1954		1950	1954
Appliances, major	35%	32%	Household furnishings	—*	10%
Appliances, small	40%	30%	Jewelry	—*	20%
Building materials	15%	15%	Paint	8%	16%
Clothing, men's	21%	21%	Petroleum	4%	5%
Clothing, women's	17%	20%	Radio-TV sets	50%	40%
Drugs & toiletries	10%	4%	Shoes	29%	32%
Food & grocery	12%	11%	Tires	40%	40%

*Insufficient replies on which to base median percentages. This is also the case for those major industries omitted from the table: alcoholic beverages, automobile, life insurance, soap & cleansers, textiles, travel.

Through redesign and fresh advertising . . .

billfolds get a new look

- **When it comes to wallets, most men couldn't care less.**
- **In fact, 90% of all wallets are bought by women.**
- **One leading wallet maker, Rolfs, is bucking this problem.**
- **Its strategy: give billfolds fashion and humorous advertising.**

WHEN was the last time you bought yourself a new wallet? If you're like most men, it was several years ago, when your old wallet simply fell apart. It is essentially this problem that billfold manufacturers face today. Men don't get excited about wallets. They buy a new one only when they're forced to, or they wait until someone gives them a new wallet as a gift. Male apathy towards billfolds is most apparent when you consider that 90% of them are purchased by women.

➤ **At least one manufacturer—Rolfs of West Bend (Wis.), third largest wallet maker*—is determined to lift the lowly billfold out of this quagmire of indifference.** There is no reason, says Rolfs' ad manager, Arnold A. Weiss, why billfolds should not be an impulse item bought the way men buy neckties. There's no reason, further, why every man shouldn't have two or three different wallets, for different occasions. And, finally, says Weiss, there's no reason why wallet advertising should be dull and uninspiring.

This is the thinking behind Rolfs' fresh, exciting new advertising and merchandising campaign which started this fall. Its goal is to "match the billfold to the man," to provide the right wallet for the right occasion and, therefore, to "take billfold buying out of a functional rut."

Rolfs' ads prove it: billfold advertising needn't be dull

➤ **Rolfs' new campaign is the outgrowth of an intensive survey among 200 of Rolfs' 10,000 retail outlets (Rolfs sells directly to retailers) made last spring.** The survey was made by Irving Auspitz, Weiss & Geller account executive on the Rolfs account (Weiss & Geller was assigned the account last spring, has no relation to Rolfs ad manager Weiss).

In his survey, Auspitz found:

- Most billfolds are sold strictly as a functional item.
- Most billfolds sell for $5, because most consumers think that's what a good billfold should cost—no more, no less.
- There's little or no obsolescence in billfolds.

After the survey, it became apparent to Rolfs that only a revolutionary ad campaign and some restyling could overcome these problems. Auspitz pointed out to Rolfs that fashion would have to be the key to greater wallet sales, what with women doing almost all of the actual buying. He added further that other items like belts, shoes, shirts and hose were really "dormant" until fashion hit them.

➤ **In analyzing male apparel to determine wallet needs, four categories were apparent to Rolfs and Auspitz: business dress, casual dress, sports dress and formal dress.** With the exception of formal dress, for which demand is still rela

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*Buxton and Prince Gardner are the two largest wallet manufacturers in the U.S. Because most leading wallet makers are privately held companies, no sales figures are available, but it is generally known that Buxton, Prince Gardner and Rolfs together hold about 70% of the wallet market.

the WOMAN'S VIEWPOINT

By Dorothy Diamond ®

Go right out and buy it! Where?

A woman I know is so eager to find ways of lightening her housekeeping that she does just what the TV commercials tell her: she goes right out and tries to buy the product. "Tries" is her bone of contention. Too often she finds that an extravagantly praised item is conspicuously absent from the shelves of local stores.

As an example, she told me that this summer she actually went into four different stores (two supermarkets and two hardware) to find an insecticide that was advertised as a panacea for both house and garden. No luck. By the time that she did happen to see it, several weeks later, it was fall and she had ceased waging war on garden pests.

On a day that I met her she was fuming because a jet-spray type of scouring powder, with which she'd hoped to annihilate the ring in the bathtub, proved equally elusive.

If manufacturers hope to persuade retailers to stock their products by creating a demand for them, they may succeed in service stores. But in a supermarket, where the pace is fast and where a clerk is as scarce as an oasis in the desert, a woman shopper is apt to settle for a substitute. I hate to see effective advertising wasted. And I think that a certain amount of resentment is engendered against the offending company that talks big about a product but fails to get adequate distribution.

Push-button ignorance and a possible cure

Among the new products that are plunging (or about to plunge) into the fierce competition of the laundry products field are dry bleaches, detergent bars, more heavy-duty liquid detergents and even a fabric softener (the opposite number of starch). To most housewives, this variety has become an embrassment of riches. The conflicting technical claims in advertising make little sense, and certainly aren't persuasive.

When I complained a while back about the prevalent confusion, a male reader reminded me somewhat tartly of the heavy physical labor that doing the laundry used to involve. Yes, I'll admit that Mother no longer has to build a fire, boil clothes and scrub them on a washboard. But I insist that in our push-button era, she needs a technological background that she does not possess.

As has been pointed out by Dorothy Hogg, field representative for Colgate - Palmolive Company's Soap Division, 80% of the sales of laundry products are being done in items that were virtually unknown 10 years ago. Although a washer should be fed almost precisely as Univac, a Colgate survey has shown that only 17% of women owning a wringer-type washer use a measuring cup (68% prefer a shake from the box). Figures for automatic machines were 49% for the measuring cup and 28% for the rough estimate.

To inculcate better washing habits, Miss Hogg has compiled an impressive dossier of material which she distributes at her demonstrations for utilities' and distributors' home service people. They in turn act as trouble-shooters for housewives who send an SOS for help. As other commendable attempts at dispensing information, I can cite: Procter & Gamble's recent booklet on "Better Washdays"; a new Dept. of Agriculture pamphlet; and a definitive report by House Beautiful which was published in April.

However, since the printed material requires more concentration than a PTA report, I wonder how many women have the patience to absorb it. I agree with Elizabeth Herbert of McCall's that we need courses in home automation. They would fit comfortably into our high school home economics classes and adult education sessions.

Nice to note:

The return of "the man in the blue suit" (via Hart, Schaffner & Marx) . . . The sprightly quick-change commercials which show how L&M cigarets epitomize modern living . . . Northwest Orient Airlines' announcement that passengers may reserve their steaks "rare, medium or well-done." A frivolous approach to air travel, but an attention-getting ad.

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tively small, Rolfs designed a wall for each type of dress: the "Commute for the business man, a slim wallet b with room for sliding pass case, tw key tabs and a two-way bill pocke the "Credential" for the casual dresse also slimmer than standard wallets b with a case for 25 cards; and the "Na rowfold," a half billfold for the sport man who needs a slim wallet to sl into a shirt pocket.

Because the $5 price is so universal accepted, both the Commuter and Cr dential will sell for $5. Since it's smal er, the Narrowfold will sell for $3.9 Like most other wallet makers, how ever, Rolfs will offer the same mode in more expensive leathers at prices u to $35.

Innovating product design is not ne to Rolfs. In 1917 it pioneered the Dire tor, first billfold with a secret pocke spare key pocket, card finder and pe manent registration against loss.

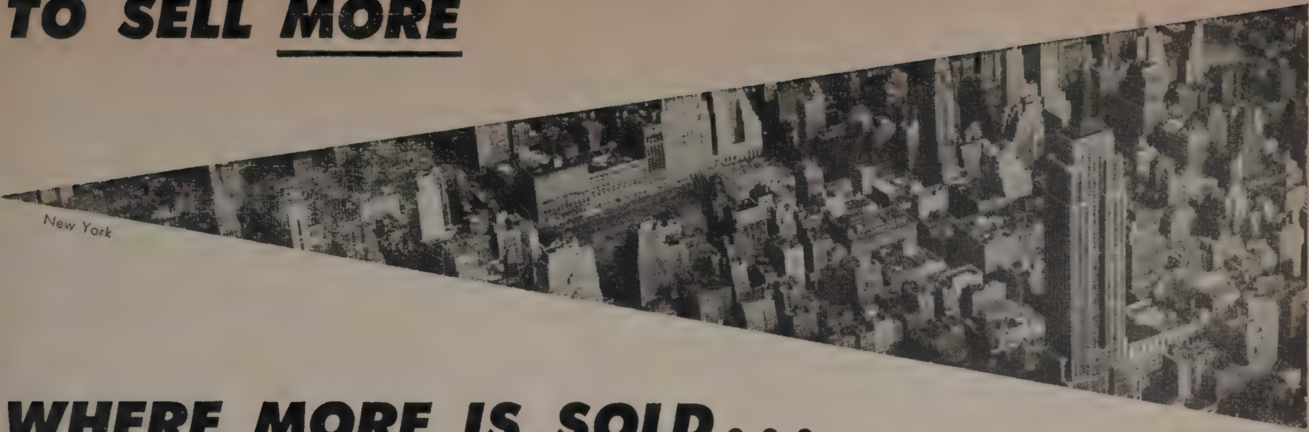
➤ **To promote its new styles, Rolfs increasing its ad budget by about 18 and will spend, between now an Christmas (when the majority of bi folds are bought), about $410,000.** Th ads, scheduled for American Weekl Esquire, Life and The New Yorker well as business publications, hig light the theme "Match the billfold the man."

Rolfs hopes the new ads combi impact with fashion. The campaig says Auspitz, marks a departure in bi fold advertising in that "We're em ploying humor for the first time. the same time, we get good bra identity, which has been rather lac ing in the industry today."

The national ads will be heavily su ported at the retail level by some ne point-of-sale material featuring die-c outlines of the three types of ma dress. For quick and easy identific tion, these displays will be mounted d rectly over each style of billfold. Th displays have already met with go dealer acceptance, Auspitz claims, d spite the fact that they're new to t industry.

➤ **Ad manager Weiss points out that t point-of-sale displays will serve anoth purpose: they'll help women pick t exact style they want.** "Now that s has a guide," Weiss explains, "there be no hit and miss—and it should i crease multiple sales." Rolfs also mak and markets women's leather good and is currently running full-color a in Vogue for the Boodle Bag, a clut bag that holds currency, coins, car and cosmetics, all in separate com partments.

TO SELL MORE



WHERE MORE IS SOLD . . .

IT'S FIRST 3 FIRST!

Heavier advertising effort is necessary in the 3 concentrated city and suburban areas of New York, Chicago and Philadelphia – which account for 18% of all U. S. Retail Sales–because in these areas the family coverage of General Magazines, Syndicated Sunday Supplements, Radio and TV thins out. In these far-above-average markets *there is no substitute* for FIRST 3 MARKETS' solid 62% COVERAGE of all families.

In addition, the finest Rotogravure and Colorgravure reproduction in the FIRST Sections of the FIRST Newspapers of the FIRST 3 Cities of the United States assures you maximum package and product EYEdentification.

To make your advertising sell *more* where *more* is sold . . . it's FIRST 3 FIRST!

Circulation in excess of 6,000,000.

The group with the Sunday Punch

FIRST 3 MARKETS GROUP

Rotogravure • Colorgravure

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Chicago Sunday Tribune *Magazine*
Philadelphia Sunday Inquirer *"Today" Magazine*

New York 17, N.Y. News Building, 220 E. 42nd St., Murray Hill 7-4894 • Chicago 11, Ill., Tribune Tower, SUperior 7-0043
San Francisco 4, Calif., 155 Montgomery St., GArfield 1-7946 • Los Angeles 5, Calif., 3460 Wilshire Blvd., DUnkirk 5-3557

New life for the third network

- **The network has always lacked money and affiliates.**
- **New boss Leonard Goldenson claims he has both problems licked.**
- **Here's how he intends to give CBS and NBC more competition.**

LEONARD GOLDENSON is a patient man. Ever since his United Paramount Theater decided to join instead of fight television (by merging with American Broadcasting Co.), Goldenson has waited for the day ABC could compete on equal terms with CBS and NBC. Last month he got tired of waiting. Despite ABC's recent marked progress (sponsored hours per week this fall are up two hours over last year, to 19½ hours), the network isn't moving fast enough for Goldenson.

First step in the speeding up process was the separation of Robert E. Kintner from the ABC presidency. Step two is active control of ABC's operation by Goldenson himself (at least temporarily); step three is the appointment of salesman Oliver Treyz as director of ABC's television network. Step four is the injection of a large dose of money into ABC's pallid system — the first really massive transfusion since the merger (despite Goldenson's insistence that he's not making any drastic change in the network's economy).

How much Goldenson is trying to raise is still a secret, but the best guess is around $30,000,000. "All I can tell you now," says Goldenson, "is that the amount will be substantial, and that it will nearly double our present long-term debt." This debt stands at $37,200,000, and represents commitments carried over from the pre-merger United Paramount Theaters.

➤ **The bulk of the new cash seems destined for Oliver Treyz's TV division. Says Treyz: "We're earmarking about $15,000,000 for color, which we'll break into next year.** The time to do it, of course, is in the fall, so if we go into color in 1957, we'll have to make up our minds by February 1. Personally, I'm very enthusiastic about color. It will expand advertising budgets and increase the volume of television advertising."

Treyz also has some ideas on programing. First of all, Treyz doesn't believe feature films have any place in network broadcasting. "Showing feature films is not a network function; it can be done better on a local basis. So we're going to yank some of that boilerplate programing we've been carrying." This may spell the end of ABC's five-a-week Afternoon Film Festival and Saturday's Famous Film Festival, probably next March.

Treyz gives little indication of what might replace these shows, except the vague "live personality shows." Treyz comes to ABC with the reputation as a strong live-programing man, and his attitude may mean a rebalancing of ABC's schedule toward live shows (in a typical week, the network carries about 15 hours of live programin[g]
25 hours of film). He has definite pla[ns] for an hour-long variety show ("bui[lt] around a single theme") and an hou[r-] long live dramatic program. Sam[e] time, he has no intention of scuttli[ng] such film packages as Wyatt Ea[rp] (which dominates its time slot) an[d] Cheyenne. In fact, Treyz is talki[ng] about adding more so-called high-lev[el] westerns to the schedule.

➤ **Treyz's programing goals are com[paratively modest. Says he: "We won['t] necessarily try to be the highest rate[d] network. The measure of success [is] how well we do in relation to our est[i]mated potential."** As for spectacular[s], Treyz is not very interested, think[ing] they've become routine. "We won't [be] known for mammoth budget shows. O[f] course, we'll put on a big special pr[o]gram every so often, but when we d[o] it'll really be something special. Ge[n]erally speaking ABC will take adva[n]tage of television's greatest ally—habi[t]. We'll shoot for continuity of pr[o]graming."

While Treyz's programing pla[ns] apparently hold few surprises, his ca[s]ual attitude toward the painful subje[ct] of channel allocations and clearances [is] really an about-face for his networ[k]. Explains he: "No one denies that rig[ht] now ABC is a spotty network and th[at] we've been shut out of a lot of marke[ts]. But we'll be picking up new VHF a[f]filiates in Boston, Norfolk, Omah[a], Pittsburgh, San Antonio, San Die[go] and St. Louis soon and by the fall [of] 1957 we'll be represented in all ma[r]kets. As a matter of fact, the on[ly] markets where the tight allocations a[r]gument still applies are Birmingha[m], Dayton, Louisville, Rochester a[nd] Syracuse. I'm not disavowing UH[F] and deintermixture of markets, but [it] seems to me that maybe we've been t[oo] sensitive and too defensive abo[ut] clearances."

Treyz may be right—certainly Gol[d]enson is giving him every chance [to] prove it. As of last week, televisi[on] station relations director Alfred [R.] Beckman will report directly to Tre[yz] (radio station relations director Edwa[rd] J. De Gray will report to radio vic[e-]president Durgin), following the res[ig]nation of longtime (since 1949) AB[C] vice-president Ernest Lee Jahnck[e]. Jahncke had supervised all station r[e]lations as ex-president Kintner's sta[ff] vice-president (as television station r[...]

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ABC's Durgin, Goldenson and Treyz
They think $30,000,000 will buy equality

SELLING TO INDUSTRY

By John Sasso ®

Advertising networks at work

In our column of October 12, we ran an item on "phony selling." This concerned agency solicitation methods, and mentioned the misuse of advertising network membership. Although the item was not intended as an attack on the network theory, it produced a raft of letters from angry readers.

We were writing about a subject that is—or should be—of deep concern to all people in advertising, whether small or large operators. That's this business of fooling the prospective client. We were trying to point out that some agencies misuse networks when they make solicitations. They misuse other techniques, too. But our example (and note well, network men, our item was based on an actual case) was intended as a "for instance" of selling practice.

Certainly we're not against the "advertising network" concept. One of the few quotable letters (from Bob Wilson of Cargill & Wilson) asks whether we would amplify our feelings about networks. Of course. Networks which provide mutual assistance to members and an opportunity to pool brains and experience make good sense.

We believe in reputable networks. We've used them ourselves. There are real advantages for an agency that ties in with a network, obviously. It's possible to get reciprocal service and information, cooperate on research and creative campaigns, compare management problems, and to learn a great deal at a well-run network's meetings.

If our item seemed to hit at networks, just remember the harm that the agency we cited did to networks by misusing them badly in its pitch. We wouldn't have mentioned networks or added the additional statements if he hadn't done so in exactly the same way.

Summing up: Nobody's mad at the networks. They perform a very useful and constructive purpose. But they might as well admit that some members misuse the concept in client solicitation—and should do something about policing this—before the whole network system is further damaged.

Sensible agency selection

Our bout with the network people brings to mind the fact that companies are often suckers in listening to agency network or non-network solicitations. But some companies are learning fast. They are setting up definite criteria which weed out agencies before personalities start clouding the picture.

How would *you* go about selecting an agency?

If you approached the problem like some of the "we've been burned before" people, you'd set down some basic facts. You'd first of all note that changing an agency is regrettably similar to getting a divorce and remarrying: it's a tough changeover with lots of complications.

Then, if you're still going ahead, you'd analyze your present markets and start seeking information about specific agencies that know something about those markets. This will no doubt eliminate about 50% of the candidates suggested at cocktail parties, on golf greens, at ad meetings, and in casual space-salesman conversations.

Now what? One company we know then sets up an agency-hunting team that digs into performance (in ads and other services) of the listed agencies. A questionnaire is made up. The questionnaire asks pertinent questions about agency history, manpower, facilities, clients, ability in specific fields, methods of billing, etc. This is sent to the "prospect" list of those agencies whose performance seems to measure up.

Returns are scanned and a number of names can be immediately dropped. The rest are then visited personally by the team, and are either invited or not invited to make a full-fledged solicitation.

The actual pitch takes place before the complete company group that will be involved with the new agency when it gets the account. Company individuals can note their own reactions to the agency pitch and its people, and are thus in a position to cast an intelligent vote for or against each competitor.

All of which sounds complicated, and is no doubt time-consuming, but nevertheless makes good sense.

Continued from page 38

lations vice-president in 1949, Jahnc had a key role in setting up ABC's T network). The move is in line w Goldenson's new policy of delegati responsibility and separating the act ities of the radio and television ope tions.

➤ On ABC's radio side, things are u derstandably much quieter. So far programing goes, the news is dov right dull. Says vice-president Don Durgin: "We're sticking with fai traditional programing, and we ha no plans to inaugurate any over 'frame bloc' concepts. We had fling at that some time ago with N Sounds for You, which we dropp As a matter of fact we're fairly hap with our morning schedule. It's 80% sold out, which is about as go as you can get. Due to mechani obstacles such as product confli you can never really reach that id 100%."

Durgin thinks ABC's success w morning radio is due to this very tra tionalism. "While it's true that listen patterns have changed," he explai "a lot of radio men may have made mistake of thinking that the liste has changed, too. Basically, as individual he hasn't changed."

Sametime, Durgin admits he co use more business. "If we had dou the budget to work with, we'd exp ment with higher-priced program to build audience." No one, howev seems to be offering him that m money.

Caption by—R. HUFF

But we never had this much time to meet a deadlin

Nine-month media volume climbing:

It looks as if advertising volume is headed for another record-breaking year, if nine-month media performance is any barometer.

Magazine ad revenue counted by PIB is up 12% over last year's three-quarter mark, for a total of more than $518.5 million invested in the medium. Sametime, number of pages is up 6%.

Newspaper linage, according to Media Records' 52-city analysis, is up 4.3% over 1955's first nine months.

Network television, as usual, did best, took in $359.9 million in revenue, a 21.8% increase over 1955.

Spot radio, says the Station Representatives' Assn., **billed over $97,000,000 in 1956's first nine months, 20.7% over last year.** Outdoor advertising is estimated by OAI at $116 million, a 3% gain over 1955.

As for net radio, no one's measuring it and no one's talking about it.

NBC ventures into hourly newscasts:

NBC, starting in January, will break with network tradition and offer hourly five-minute newscasts (7 a.m. to 11 p.m.) over the full network (about 200 stations).

Here are the remarkably low rates: $1,300 per five-minute segment (minimum five segments, 13 weeks), with discounts for additional blocs of five segments. These rates are pegged low enough to lure advertisers away from news sponsorship on local music & news stations.

To compensate local stations for moving into their profitable on-the-hour news programs, **NBC is upping station compensation 7½%—the first such increase granted** by NBC and the second in radio history (CBS raised compensation for its chain 6.2% last August). One affilate estimates that even though the dollar increase will amount to peanuts, he'll be able to make money on the deal by selling adjacencies to the newscasts at premium rates.

Newsstand sales slump begins leveling off:

Newsstand sales of the bigger magazines seem to be stabilizing for the first time in years.

S-M News Company's semi-annual box score figures for the first half of 1956 show the **top 25 magazines gained 4.1% over 1955's similar period.** Even without TV Guide (which continues its phenomenal rise with a 29.4% gain), the leading books picked up nearly 1%.

Still sagging, though, are the big, general audience weeklies and bi-weeklies. Only Satevepost, New Yorker and U.S. News picked up single-copy circulation. Life's sales dropped 6.1% to 911,007 copies, while Collier's dropped 15.7%, the largest percentage drop of any in the group. Look is down 3.4%, Sports Illustrated, 13.6%.

The women's magazines, on the other hand, are showing strength. McCall's took a big jump with a 14.2% gain, while Good Housekeeping was up 3.7%. Newsstand losses for Ladies' Home Journal are slackening, with a 4.5% loss this half.

Woman's Home Companion continues to slide, with a 13% drop.

As for the general monthlies—Coronet, Cosmopolitan, Reader's Digest and Redbook—**most showed gains,** Coronet going back over the 1,000,000 mark with an 18.8% gain. Only Reader's Digest slipped with a 3.1% loss.

The newsstand situation as a whole, though, needs help. Of S-M's list of 122 magazines, 75 lost in newsstand sales.

NTA network still stalled:

Ely Landau's so-called fourth television network (NTA Film Network, subsidiary of film packager National Telefilm Associates) has yet to get off the ground.

Despite the recent deal for 20th Century-Fox's enormous blacklog of feature film (for which Fox got 50% of NTA stock), and guaranteed clearance for 1½ hours weekly on 108 stations (among them, 35 CBS affiliates, 11 NBC, 19 ABC), **Landau has yet to sign a national sponsor.**

Some of the problems: NTA, for various reasons, **is still shut out of several major markets** (e.g., Baltimore, Boston, Philadelphia, San Francisco). The Fox deal came too late to do any business this year, since, says NTA, interested (but as yet unidentified) advertisers have been waiting to see what kind of film product Landau would come up with.

Another study from Good Housekeeping:

Two years ago, Good Housekeeping released a motivational study on how women respond to advertising in women's service magazines as opposed to general weeklies. **GH's motive, of course, was to lure food, home furnishing and appliance advertisers away from Life and Satevepost.**

Now Good Housekeeping is back with a similar survey, but with one difference: Where the first study compared all the women's service books against the weeklies, **this one matches Good Housekeeping alone against Life and Satevepost.**

Good Housekeeping has really taken off its gloves in this one, and for good reason: the first study had only spotty success. While Good Housekeeping made some gains in the fields it was shooting for, it didn't do well in others.

A study of reader reaction:

Conover-Mast's Construction Equipment magazine **thinks it's found a way for industrial advertisers to check on the effectiveness of their ads** in terms of how well the message is understood, how believable the claims are, how well the ad satisfies the prospect's need for information about the product, and how effectively the ad helps sell the product.

Here's how Construction Equipment's method works: 25 readers of the magazine (picked to reflect the make-up of the magazine's whole audience) are asked to look at the ads in a selected issue and comment on what they get out of them, what they believe, or don't believe, what further information they'd like to have. The comments are then turned over to the advertiser without charge.

With the study, Construction Equipment hopes to convert quite a few fractional page advertisers to full page advertisers (the study is offered only on full-page units or more).

FACES OF THE FORTNIGHT

Growth is secondary to agency president Steers

In 1944 three executives of Pedlar & Ryan—Francis J. Doherty, Lawrence S. Shenfield and Donald K. Clifford left in a policy disagreement and formed their own agency: Doherty, Clifford & Shenfield. To supervise all media activities of their $3,000,000 agency, the three partners also brought from Pedlar & Ryan a good-looking, soft-spoken young man, William E. Steers.

Last month president Clifford moved up to become board chairman, a post that had been vacant since 1954, when Shenfield retired. Installed as president of the agency, known since 1952 as Doherty, Clifford, Steers & Shenfield and now boasting billing over $13,000,000: quiet, direct, 50-year-old Bill Steers, former executive vice-president.

Under Steers, agency policy will continue the same as when the agency was founded: "What's best for the client is best for the agency, no matter what the immediate effect on the agency." Agency growth, therefore, is secondary to clients' sales and profits. In fact, says Steers, rapid growth is not an important agency goal; "I'd prefer to see each department and service of the agency develop to the point," says Steers, "where it is as good or better than comparable departments or services in other agencies—regardless of their size."

The elevation of Steers to the presidency of DCS&S represents one step in a long-range program of agency development with two goals: to recognize the increased responsibilities and contributions of the agency's key executives, and to build and prepare the organization for the future. The agency wants executives who not only can carry out the day-to-day operation of an agency, but who will fit into a pattern of advancement to greater responsibility in the future.

Agency president William Steers
Clients' sales and profits come first

One indication of DCS&S's determ nation to give top level executives mo responsibility today, and prepare the to accept more tomorrow, is a other change made simultaneously wi Steers' promotion: expansion of th agency's board of directors from six nine members. The three new dire tors: vice-presidents & account supe visors Robert Hayes, William Holde and Joel Jacobs.

Steers is certainly not taking ove the presidency of a stand-still agenc For one thing, DCS&S has added total of six new clients over the pa nine months. For another, the agency merchandising department, founded 1947, is gradually expanding to me the marketing demands of increase competition, especially in the packag goods field. As part of this expansio merchandising personnel have been i creased by 15% in the past year, an new services—such as package design are being added. Finally, the agenc is moving January 1 from the Empi State Building, where it opened shop, to uptown offices at 530 Fif Avenue, closer to major clients like T Borden Co., Bristol-Myers, Brown Vintners, Four Roses, Sonotone Cor and Cigar Institute of America.

Steers began his agency career 1930 after graduation from Dartmout starting in the research department Pedlar & Ryan, later moved into t media department and subsequently b came an account executive on the Pro ter & Gamble account. A man of fe hobbies, Steers plays an occasion

Executives at ease

It's a rare man who can have a hobby that's both interesting and profitable. Edward J. Leahy, advertising and merchandising director of Bennett-Ireland, Inc. (Norwich, N.Y.), is just such a man.

After a busy day planning Bennett-Ireland's advertising (for such products as metal building supplies, fireplace furnishings, foundry, machine & metal fabrication), Leahy relaxes with his square dance and a five-man combo known as the Foggy Valley Boys. They play at weddings, clambakes, house parties and fund-raising dances whenever they can spare the time from their jobs.

The accompanying photo shows the Foggy Valley Boys in action: (left to right) Lawrence Crandall, a plant inspector, on the five-string banjo; Bernard Leahy, a railroad worker, on the fiddle; Edward Leahy, of Bennett-Ireland, on the German accordion; Roy Harp, a baker, on the electric guitar, and George Echentile, a YMCA physical education director, on the bass fiddle.

Krueger's Edward H. Jewett
At 29, a challenging job

;ame of golf, prefers instead to spend iis leisure time with his wife and three hildren.

Krueger's Jewett is both narketer and brewmaster

When Edward H. Jewett discusses eer and ale, he talks both as a marketng strategist and as a trained brewnaster. When Jewett joined G. Krueger Brewing Co. (Newark, N.J.) as an pprentice brewer in 1949, he showed uch aptitude that the brewery enolled him in the National Brewers' Academy in New York, the West Point of the brewing industry. Now, after even years in almost every phase of Krueger's production and marketing operations, eager, 29-year-old Jewett as been named marketing director, with responsibility for Krueger's adverising, sales promotion, public relations, merchandising and distribution.

It will be, admits Jewett, a challenging job. Krueger beer and ale are marketed in 21 eastern states as well as Puerto Rico, and each area poses separate and distinct marketing problems. Then there's the problem of allocating Krueger's 1957 ad budget of more than $1,000,000.

Under Jewett's direction, Krueger's TV sponsorship of such off-beat sporting events as the horse show, dog show, hockey and bowling have attracted audiences. Despite the success of this sponsorship, however, Jewett plans to put less ad money into TV next year, with heavier emphasis on other media Krueger uses: newspapers, radio and outdoor.

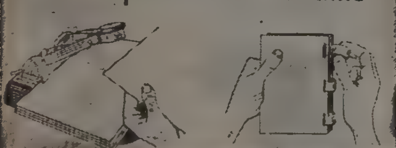
Jewett joined Krueger in 1946 after brief stints with NBC's sales research staff and a New Jersey varnish manufacturer, and after five years among the vats and kettles, was moved into market research. He progressed rapidly up through sales promotion and advertising, was advertising manager until his most recent appointment.

Dynamic young Jewett brings the same kind of enthusiasm to his leisure time activities as he displays in his job; he's active in deep-sea fishing, golf (he shoots in the low 80's), enjoys romping with his two children.

White ad manager Fryer sees a "golden age" ahead

When the Federal highway building program passed Congress this year, no one was happier than White Motor Co., of Cleveland. For after several years of expansion and diversification, White now manufacturers both the machines that build the roads as well as the trucks that will use them.

To take advantage of this opportunity, White is expanding its merchandising activities as well as production. As part of this expansion, White recently promoted to advertising manager



(from assistant sales promotion & ad manager) soft-spoken, 54-year-old Roy A. Fryer.

"The next five years," says Fryer, "will be the golden age of the modern trucking industry. We're on the threshhold of the biggest trucking development in history. We have expanded, and we're going to have to expand further, to meet this terrific road building and transportation development that's coming with the new highway program."

To assure itself of a continuing share of the truck manufacturing market (White's sales were $179 million last year, should hit $200 million this year making it the largest independent truck maker), the company recently acquired Autocar Co. and the Engine Division of National Supply Co., giving it trucks to meet every possible market need.

To translate these products into sales, Fryer and White are working with White's 32 branches and 500 distributors and dealers, urging them to join White's "creative diversification" effort. Recently the truck maker put on in Cleveland a truck pageant similar to the introduction shows passenger car manufacturers run, to focus attention on new models.

As part of his responsibility, Fryer will supervise White's annual ad budget of $750,000, most of it going (via D'Arcy Advertising Co.) to business publications, direct mail and other company literature. White's ad budget will go up, says Fryer, but can't say how much until the company's board of directors decide early next year. White is going back into consumer magazines, ran an "institutional type" ad in Life last month.

White's Roy A. Fryer
For trucks, a golden opportunity

Tide

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LETTERS

Point of view

Sirs:

In the article, "Case history in selecting a public relations counsel," which appeared October 26th, Mr. Phil Lesly put on a real holier than thou attitude. I quote: "We do not specialize in any phases of PR, but we do exclude certain types of accounts that would require 'press agent' activities and other things we feel are unprofessional or out of keeping with the standards we set."

On the very next page under the title, "Lesly's first PR project for Maytag," is a complete dossier on one of the smartest press agent stunts I have seen. It talks of convertibles with plaid tops, attractive lassies in kilts, and cheese from farms. Then it adds, "The combination of cheese and cheesecake has proved irresistible."

Now I have nothing against press agent stunts; they are valuable many times. But I do think that any intelligent reader would resent Mr. Lesly's long-nose attitude in his questionnaire when he finds out that Mr. Lesly is not above being a press agent when necessary . . .

John Sasso

Vice-President
G. M. Basford Co.
New York

Drys vs. wets

Sirs:

We think the story behind the full-page M. K. Goetz Brewing Company advertisement that appeared in the Gazette and News-Press today will be of some interest to you.

St. Joseph, Missouri, and its trade territory has been without rainfall of any consequence since August 1. The lack of rain has been one of the main topics of conversation, and the community as well as the area have embarked upon "Operation Rainfall," a plan to underwrite a cloud-seeding program . . .

A month ago Mr. M. Karl Goetz, president of the M. K. Goetz Brewing Company, explained an idea to Mr. David R. Bradley, publisher of the News-Press and Gazette. We have had the enclosed full-page advertisement on a "set and hold" since then. A two-and-one-half-inch rain fell over the weekend and Mr. Goetz asked that we release the advertisement . . .

The descriptive phrase, "Wet 'n' Wonderful," is a slogan of the M. K. Goetz Brewing Company.

Ethan H. Campbell

National Advertising Manager
St. Joseph News-Press and Gazette
St. Joseph, Missouri

See cut—**Ed.**

The

RAIN...

It's

...Wet 'n Wonderful

and Goetz Beer is Wet 'n Wonderful Too!

GOETZ AD

Rain on the plains

TV or not TV

Sirs:

Congratulations! I have just read Mrs. Howard's article in your October 26 issue and cannot say how glad I am that you published it—where it will do the most good.

I only hope the illustrative members of the advertising trade will heed her advice. If they realized how many of us not only agree with her point of view but also use the same tactics of "not-buying-the-product-in-protest," I am sure it would shock them into reality . . .

Mrs. M. L. Kenny

New York

Sirs:

If Mrs. Lois Greenwood Howard represents the "typical" housewife, we may be headed for economic ruin. She has established a sizable roster of goods she boycotts, all because of TV commercials she finds most irritating. Her article, "A housewife looks at television commercials" (Tide, Oct. 26), certainly implies that she is an inveterate viewer and far from the "ideal" or "best organized" housekeeper she claims not to be. She also writes of not being a "highbrow" yet, with remarkable aplomb, drops references to "consent engineers" and takes issue with Dr. Rudolph Flesch.

Mrs. Howard is most erudite in giving her personal views (hardly representative) on TV commercials, most of which she remembers all too well. Although she denies being a "professional protester," her protestations are studied and quite active. However, Mrs. Howard's reasons for not buying certain "objectionably" advertised products would seem to belie her intelligence. Her condemnation of these products is based on personal whimsy, not on the more housewifely evaluations of quality and quantity. Her attitude would seem to indicate that her home is almost barren of brand name merchandise, certainly much of that which is advertised on TV . . .

Advertisters might think twice before accepting her views as gospel. I find them . . . missing . . . missing . . . missing.

Albert Boyars
Public Relations Director
Transfilm
New York

Jingled nerves

Sirs:

In describing our radio jingle for Barney's (Tidings, October 26), your reporter allowed himself some gratuitous phraseology which may cause untold confusion among students of that widely circulated contemporary art form, the singing commercial.

As you know, Barney's jingle has been cited often as among the most distinctive and successful examples of the art. And, as you are also aware, there is a school which holds that the more irritating a jingle, the more effective it is likely to be. We can't subscribe to this minority theory but, if your reporter does, we are flattered by his comment that "Barney's perennial radio spots consist of a peculiarly repulsive jingle with the refrain 'Calling all men to Barney's.' But for clarity's sake, shouldn't he have labeled this remark as favorable?

On the other hand, if he is simply expressing his own taste, isn't he being rather snide? Or, if he is airing his personal opposition to all radio jingles, isn't he writing for the wrong magazine?

And while we're at it, we might also remind him that there is a difference between a "cut-rate store," with all its corner-cutting connotations, and Barney's, where you will find nothing cut but the prices. It would be nice if your man would listen to Barney's commercials or, better yet, hie himself down to Barney's. I think he'll find he couldn't hope for a nicer store or nicer clothing.

Seth D. Tobias
Emil Mogul Co., Inc.
New York

Agency networks

Sirs:

. . . We happen to be a member of the AAAN and, believe me, the way this network functions is not at all like Mr. Sasso's

column. We feel it is a tremendous service for our clients and a great help to us in doing a better job for our clients . . .

Thomas C. Wilson
Thomas C. Wilson Advertising Agency
Reno

Sirs:

In your Oct. 12th issue John Sasso's column took an obviously unresearched and vicious punch at advertising networks in general. Certainly any serious investigation into the workings of networks would have revealed an entirely different picture, had Sasso done so . . .

Jack M. Thompson
Jennings & Thompson Advertising, Inc.
Phoenix

Sirs:

I am amazed that John Sasso in his column, "Selling to Industry," Oct. 12th, should attempt to criticize, moreover to slander, a type of advertising organization which he apparently knows so little about . . . the advertising agency network . . .

Donald M. Alexander
Executive Secretary
Affiliated Advertising Agencies Network
Spokane, Washington

For a further amplification of Columnist Sasso views on agency networks, see p. 48.—Ed.

Denial

Sirs:

As a longtime member of your **Tide** Leadership Panel, I feel I can be frank with you as a member of at least one phase of your Editorial Family.

The first item on the **Tide** green sheet: Advertising Forecast, referring to merger of APRA and PRSA is obviously incorrect, badly timed and actually renders a disservice to both organizations right at this time.

Tide did a fine piece of reporting in the recent feature article, objectively pinpointing the targets, the organization as well as the problems of both important organizations. It cleared the air by explaining that the leadership of both are working for the good of PR as a profession, are aware of the problems and agree that the tracks they are traversing are parallel and headed toward the same destination. It ended by an eloquent paragraph signalizing the fact that both have a responsible job to do. I wish the question for the moment could rest upon that sincere note.

The recent White House appointment for the People-to-People Program brings the presidents of all organized Public Relations Organizations as well as APRA and PRSA together to attempt a fine constructive assignment. All of us will be lunching together, working together, and we trust accomplishing together a wonderful vision of President Eisenhower and the administration. I wish you would print this in your upcoming issue, importantly to underscore your own editorial observation that "two heads are as good as one, particularly if they are looking in the same direction!"

Paul H. Bolton
President
American Public Relations Assn.
Washington, D. C.

Advertisers' Index

FOOTNOTES

Dilemma for television

In a recent questionnaire we sent to the 1,200 top advertising executives on the **Tide** Leadership Panel we asked a question pretty vital to advertising. The question was designed to find out what advertising executives think about moving television into the UHF band.

Long before the questionnaire went out the Federal Communications Commission had asked for comment by all interested parties on whether television's portion of the spectrum should be moved from the narrow (12 channels) VHF band into the broader (70 channels) UHF band. If such is to be made, it obviously should be done soon to coincide with the inevitable shift to color over the next few years. That way, of course, there would be a minimum of set obsolescence.

Just 29% of the Panel indicated they want TV moved upstairs. Another 9% are for "de-intermixture" (making some areas all VHF and others all UHF). And still another 9% are for leaving TV as it is. But, as you may have guessed by now, by far the biggest group, 48% of the Panel, stated quite frankly that they did not know enough about the subject to comment. This state of affairs is undoubtedly typical of all advertising executives and we think it little less than shocking, especially when some 70% of the Panel admit they have difficulty in obtaining network TV time and 72% say they have trouble getting spot time. Some of them, indeed, just abandon the idea of advertising on TV altogether because of such difficulties.

For the record, here is the situation. When television began, the Federal Communications Commission allocated it in the VHF portion of the spectrum, which has room for 12 channels. Under the current allocations system for VHF channels only seven U.S. cities can have four or more TV stations in the VHF band (because of conflicting channel signals).

Only 26 others can have three VHF stations and only 93 others can have two. All the rest (more than 200 cities of some size) must be content with one VHF station or none at all. While UHF stations may go into operation such stations so far are only moderately successful, even in one-VHF station areas, because the V stations usually have their pick of all network programs.

Obviously, such a system leaves room for only a very few strong networks which, in turn, have room for only a relatively few national television advertisers. With only 33 cities able to be serviced by three or more VHF stations, all other cities can pick up only two programs, or fewer, on VHF stations at any one time. That makes any contention that VHF covers the country adequately somewhat academic. If it does, it is on a quite restricted basis not only in number of stations, but in program choices in most markets and in availabilities for sponsors. "De-intermixture" is one solution to the problem. Another solution is to move television bodily into the UHF band (study is under way to improve UHF telecasting). A third solution is taking the 10% excise tax off TV sets equipped to receive all channels (both VHF and UHF) in the hope that that will particularly affect color sets and that as color comes so will the availablility to a large circulation of UHF television with its 70 channels.

In short, there are at least three suggestions to solve the shortage of TV stations. It's clear, however, that after eight years of station shortages, FCC is either unwilling or unable to help—at least without more of a spur than it's had so far.

Certainly, the people who pay the freight for the most dynamic medium so far can & should at least learn the facts about the subject. We happen to think they can & should do something about it, too—if only through their associations.

They should do something, we think, for one overwhelming reason: their job is to advertise their companies' products in the most effective & economical way possible. Television may be effective, but it can't be called truly available or economical until there are more TV stations to advertise on.

The Editors